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SSWL allocates ₹138 Cr for implementation of Resolution Plan for AACL

The Board of Steel Strips Wheels Ltd (SSWL) will invest ₹138 crore in AMW Autocomponent Ltd (AACL) as a part of the Resolution Plan approved by the NCLT. According to media reports, the investment will be made through a mix of equity and debt as per the terms and conditions of the Resolution Plan approved by NCLT Ahmedabad. The amount of ₹138 crore will be reportedly utilized as full and final settlement of financial creditors, operational creditors, workmen/employees etc., and will be treated as a full discharge of AACL's obligations.

For More Details, Plz Visit:

https://www.business-standard.com/companies/news/ssw-to-invest-rs-138-cr-in-amw-autocomponent-part-of-insolvency-resolution-124010900690_1.html



News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

Learnings from IBC suggest the need for 'Some Course Correction': Shaktikanta Das, Governor-RBI

Speaking at a conference in Mumbai on the IBC, Shri Shaktikanta Das, Governor, Reserve Bank of India (RBI) said, "If we have to take stock of the IBC implementation journey and its impact so far, there are significant positive indications as well as learnings, suggesting a need for some course correction". He further added that the major criticisms of the IBC are on two fronts - the time taken for resolution and the extent of haircuts as against the admitted claims.

Highlighting the positive aspects, he said in terms of the nature of resolution since IBC inception, 7,058 corporate debtors have been admitted for CIRP, of which 5,057 cases have been closed as of September 2023. He further added that about 2,001 corporate debtors are under various stages of resolution. The IBC, which came into force in 2016, is a key legislation aimed at resolving stressed corporates in a time-bound and market-linked manner.

He further highlighted that in terms of realization of value, the creditors have realized ₹3.16 lakh crore out of the admitted claims of ₹9.92 lakh crore as of September 2023, which works out to a recovery rate of 32 per cent. The RBI governor added that the credible 'threat of insolvency' ignited by the IBC has strengthened the negotiating powers of the creditors, "in the absence of which it is most likely that those defaults would have lingered for much longer, resulting in value destruction".

For More Details, Please Visit: https://www.business-standard.com/finance/news/learnings-from-ibc-suggest-need-for-some-course-correction-rbi-chief-das-124011100651_1.html

News Roundup

The impact of the IBC, 2016 depends on how diligently each stakeholder performs their role: NCLT President

Speaking at an event in Hyderabad, Justice Ramalingam Sudhakar, NCLT President said that the impact of the IBC 2016 depends on how diligently each stakeholder performs their role.

“IBC has been a great success, but timelines have been exceeded, which requires attention”, said the NCLT President. He added although there is no backlog, there are issues in each case that need addressing. He emphasized the collective contribution required from every player, including lawyers, adjudicatory authorities, and company secretaries. “Professionals are urged to proceed with caution and avoid delays in alternative dispute resolution procedures,” he said.

For More Details, Please Visit:

<https://timesofindia.indiatimes.com/city/hyderabad/success-of-ibc-hinges-on-role-of-stakeholders/articleshow/106621754.cms>

NCLAT approves ‘Settlement Plan’ for Asian hotels even as the majority of lenders rejected the same.

The promoters, who operate the Hyatt Regency hotel near Mumbai airport, offered to pay the entire claims of lenders, trade creditors, employees, and government dues, but the plan was rejected by the largest lender - UV Asset Reconstruction Company (ARC). Approving the ‘Settlement Plan’, the NCLAT said that the lenders’ decision to reject it was ‘arbitrary and unsustainable’. As per the Settlement Plan, the promoters – Sandeep Gupta, Sudhir Gupta and Robust Hotels, who jointly own 88% equity will pay upfront the entire claims amounting to ₹361.6 crore to the creditors.

For More Details, Please Visit:

<https://economictimes.indiatimes.com/industry/services/hotels/-/restaurants/nclat-approves-settlement-plan-for-asian-hotels/articleshow/106819864.cms>

German retail giant Galeria faces insolvency due to Signa Collapse

German department store giant ‘Galeria Karstadt Kaufhof’ has reportedly filed for insolvency following the collapse of its partner Signa amid a real estate crisis in the region. In a media statement, the company said it was seeking a new owner after being hit by the problems at Signa, the insolvency Australian-based property empire that has become the biggest casualty so far in Europe’s real estate crisis. According to media reports, it is the third time that Galeria, with 15,000 employees, filed for insolvency in recent years.

For More Details, Please Visit:

<https://realty.economictimes.indiatimes.com/news/international/german-retail-giant-galeria-insolvent-in-wake-of-signa-collapse/106675268>



Former promoters of CDs undergoing CIRP, can submit Resolution Plans if eligible u/s 29A: NCLAT

The mere fact that someone was a promoter and director of a company going through the Corporate Insolvency Resolution Process (CIRP), does not make that person ineligible to submit a resolution plan, said the National Company Law Appellate Tribunal (NCLAT). “Section 29A does not make per se promoters and directors ineligible to submit a plan unless they are ineligible under clauses (a) to (g) of the IBC,” added the court.

Earlier, NCLT, Mumbai had rejected the Resolution Plan of a promoter on the ground that Section 29A of the IBC restricts promoters and directors of the CD from submitting a Resolution Plan as it could have an adverse effect on the entire CIRP. It is pertinent to mention the Resolution Plan of the promoter was approved by the CoC with a 91.86 per cent vote share. Section 29A of the IBC defines persons who are not eligible to be resolution applicants.

For More Details, Please Visit:

https://www.business-standard.com/companies/news/ex-promoters-can-submit-bids-if-eligible-under-section-29a-of-ibc-nclat-124011100890_1.html

EVENT PHOTOGRAPH



Webinar on 'Pre-Pack Insolvency Resolutions for MSMEs' jointly organized by IIPI with WASMEs on January 12, 2024.

IIPI's LIE Preparatory Classroom (Virtual) Program to start from January 16, 2024

The 'Weekday Batch' of the Limited Insolvency Examination (LIE) Preparatory Classroom (Virtual) Program of IIPI has been scheduled from 16th to 20th January 2024. The program will be of 40 hours and will be conducted from 10:00AM - 06:00PM. It is aimed at providing 'Good Knowledge about the Code & its process' to the participants. Online Study Material is also available. The interested candidates can register one day before the start of the program.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2023/12/Flyer-for-LIE-Jan-2024.pdf>