



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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

IIPI Newsletter

January 29, 2024

Volume 09, Number 05

CONTENTS

News Update
News Roundup
Upcoming Event
Event Photographs

Byju's overseas lenders file CIRP petitions in India

Edtech major Byju's overseas lenders, who have extended more than 85% of \$1.2-billion term loan, have filed CIRP petition against the company.

"The CIRP petition was filed in the Bengaluru bench of the NCLT, under Section 7 of the IBC," said Ad Hoc Group to media. The lenders group said that the action was taken after 16 months effort to restructure the loan. It also noted that Byju's Alpha, the US-based subsidiary of edtech major, transferred \$533 million in loan proceeds to an 'obscure, nascent hedge fund'. The CoC has also noted that BYJU'S is trying to retain a 'substantial portion' of the proceeds from the contemplated sale of Epic.

For More Details, Please Visit:

<https://www.thehindubusinessline.com/companies/byjus-overseas-lenders-file-insolvency-proceedings-in-india/article67776858.ece>



News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

IIPI brings Insolvency Professional Entities (IPEs) under Peer Review Framework

Insolvency Professional Entities (IPEs) that are enrolled as members of the Indian Institute of Insolvency Professionals of ICAI (IIPI) will now have access to the peer review mechanism.

Peer Review is facilitated by experienced insolvency professionals (IPs) to serve as a benchmark for professional services and adherence to standards and principles related to professional assignments under the Insolvency and Bankruptcy Code, 2016 (IBC). IIPI has recently decided to extend the Peer Review Framework to the IPEs that are enrolled as its members. The IPEs play an important role by offering support services to Interim Resolution Professionals (IRPs), Resolution Professionals (RPs), and Liquidators. Their responsibilities include verifying and processing creditors' claims, finalizing Committee of Creditors (CoC) meeting agendas, ensuring statutory compliance, etc.

"The decision to bring IPEs for subjecting these to peer review will improve the quality of their service and help in enhancing the confidence of various stakeholders," said Dr. Ashok Haldia, Chairman, IIPI Board. In addition to providing support services, IPEs have the capacity to independently undertake insolvency assignments. The peer review is obligatory for IPs associated with the IIPI who have managed or been involved in ten or more CIRP or liquidation cases within 03 years following the launch of the framework in July 2022. Presently, peer reviews for over 30 IPs are in progress.

For More Details, Please Visit: <https://www.ndtvprofit.com/nation/insolvency-professional-entities-with-iiipi-to-get-access-to-peer-review-mechanism>

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

News Roundup

Directors/ Promoters of a company cannot claim protection due to the moratorium under Section 14 of the IBC: SC

The Supreme Court has said the shield of protection under the IBC is not available to promoters/ directors of a corporate debtor and proceedings can be initiated against them. This judgement has come on pleas of homebuyers of Ansal Crown Heights in Faridabad in NCR whose pleas against officials of the company for refund was rejected by National Consumer Disputes Redressal Commission because the company had come under the IBC proceedings. “We are of the view that only because there is a moratorium under Section 14 of the IBC against the company, it cannot be said that no proceedings can be initiated against the opposite party (promoters/directors) for execution, provided that they are otherwise liable to abide by and comply with the order, which is passed against the company,” said the Supreme Court.

For More Details, Please Visit:

<https://timesofindia.indiatimes.com/city/delhi/ibc-doesnt-give-immunity-to-promoters-directors-sc/articleshow/107128516.cms>

NCLT dismisses CIRP petition against SpiceJet filed by Wilmington Trust

Adjudicating on the matter, the NCLT said that the petition for CIRP initiation against SpiceJet airlines lacks merit, is not maintainable and therefore stands dismissed. Earlier in December, the NCLT had rejected a CIRP petition against SpiceJet filed by US-based Willis Lease Finance Corporation after the airlines questioned the maintainability of the petition. Besides Willis Lease, SpiceJet is facing insolvency pleas filed by two other aircraft lessors -- Aircastle Ireland Ltd and Celestial Aviation. During a hearing in September, the NCLT has suggested settling with its lessors, which have filed petitions to initiate CIRP against it.

For More Details, Please Visit: <https://www.zeebiz.com/companies/news-nclt-dismisses-wilmington-trusts-insolvency-plea-against-spicejet-273930>

US court allows Brazilian airline Gol (GOLL4.SA) to borrow \$350 million in Bankruptcy

A U.S. bankruptcy judge on Monday allowed Brazilian airline Gol (GOLL4.SA), opens new tab to borrow the first \$350 million of its proposed bankruptcy financing, which a company attorney said was ‘desperately’ needed to maintain normal operations. However, the judge has expressed concerns about the high cost of the overall \$950 million loan. Glenn will consider approving the rest of the loan at a future hearing, and said he needs more insight into the financing costs.

For More Details, Please Visit: <https://www.reuters.com/business/aerospace-defense/brazils-gol-says-debt-hit-41-bln-end-2023-2024-01-29/>



IIPI Unveils Guidelines for ‘Avoidance Transactions’ in IBC Landscape

Indian Institute of Insolvency Professionals of ICAI (IIPI), a frontline regulator under the Insolvency and Bankruptcy Code, 2016 (IBC), has developed a framework for handling ‘avoidance transactions’ during insolvency proceedings.

This framework, which has been suggested by a Study Group set by IIPI, is based on analysis of 787 applications for avoidance transactions. Under the IBC, avoidance transactions are recognized as undervalued, fraudulent, or extortionate by the previous promoters.

“The guidance in this document is based on best practices, nationally and internationally. We hope that this report will help the IPs to tackle challenges faced while dealing with PUFE transactions effectively within the scope of the IBC avoiding delays or sub-optimal outcomes of avoidance transactions,” said Dr. Ashok Haldia, Chairman, IIPI's Governing Board.

For More Details, Please Visit:

<https://www.thehindubusinessline.com/companies/iiipi-unveils-guidelines-for-avoidance-transactions-in-ibc-landscape/article67785543.ece>

EVENT PHOTOGRAPHS



Webinar on 'Avoidance Transactions-Improving Outcomes' organized by IIPICAI on January 25, 2024.

IIPICAI to conduct two Webinars in February

The first Webinar titled “Case Studies on Successful CIRP and Liquidation Process” has been scheduled from 3 to 6 PM on Friday, February 02, 2024, and the second Webinar will be conducted on Friday February 23, 2024, on the topic ‘Improving Interface with COC’.

Both the webinars will be of three hours duration and carry 2 CPE hours each for IPs. The IP members are advised to register early to avoid last minute hurdles.

For More Details, Please Visit:

<https://www.iipicai.in/wp-content/uploads/2024/01/February-2024-webinars-3.pdf>