



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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

# IIPI Newsletter

### Spicejet Airline strikes settlement on ₹250 crore insolvency dispute

SpiceJet and Celestial Aviation have successfully resolved \$29.9 million (₹250 crore) insolvency dispute through out of court mutual agreement.

“This settlement marks a significant step forward for both parties and underscores our commitment to finding amicable solutions to complex challenges” said Ajay Singh, CMD, SpiceJet. After this settlement, SpiceJet is reportedly expecting to save ₹235 crore.

Celestial Aviation, in August 2022, had filed a plea under Section 9 of the IBC, 2016 to initiate the insolvency process against SpiceJet due to non-payment of dues amounting \$29.9 million for nine aircrafts.

**For More Details, Please Visit:**

<https://www.cnbcvt18.com/aviation/spicejet-settles-29-million-dollar-insolvency-dispute-with-celestial-aviation-19157771.htm>



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## CONTENTS

**News Update**  
**News Roundup**  
**Upcoming Event**  
**Event Photographs**

## News Update

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

### Formulate a Code of Conduct for CoC: Delhi High Court to IBBI

The Delhi High Court has directed the Insolvency Bankruptcy Board of India (IBBI) to formulate a Code of Conduct for taking recourse against the Committee of Creditors (CoC) by other stakeholders during the Corporate Insolvency Resolution Process (CIRP) in instances of negligence by the CoC. However, the Code of Conduct should not dilute the sanctity of the “commercial wisdom” of the CoC and the legislative intent of the IBC, asserted the Court.

“IBBI is directed to frame/finalize a Code of Conduct/guidelines in accordance with its stand set out in the instant case, principles mentioned hereinabove and as per other relevant considerations, within a reasonable period of time, preferably, within three months from the date of the passing of this judgment, for the effective functioning of the CoC, without diluting the sanctity of the commercial wisdom of the CoC and the legislative intent of the IBC,” said the Court. This judgement has come in a case wherein the CoC, without giving any reason, rejected the proposal of Resolution Professional to raise interim finance and maintain the Corporate Debtor (CD) as a going concern. In the petition the Director of the CD alleged that it was due to this decision of the CoC, the CD which was valued about ₹300 crore at the starting of CIRP was disposed in just ₹10 crores. Besides, the petitioner was not allowed to bring in investors to settle the outstanding dues. The high court emphasized that once a decision is made by the CoC, aggrieved parties are deprived of legal remedies.

**For More Details, Please Visit:** <https://lawbeat.in/news-updates/delhi-high-court-directs-ibbi-form-code-conduct-coc-enabling-legal-recourse-stakeholders-cases-negligence-coc>

## News Roundup

### CIRP cases increase 18% in Oct-Dec Quarter: IBBI Newsletter

As per the data of the Newsletter, cases admitted under the corporate insolvency resolution process (CIRP) rose to 7,325 in the October-December quarter (Q3) of the Financial Year (FY) 2023-24 from 6,199 in the corresponding Q3 of FY 2022-23, which is 18 percent higher on a year-on-year basis. Since the commencement of IBC, 2016, resolution plans of 891 CIRP cases have been approved till December 2023 and 2,376 cases went for liquidation, whereas 1,899 cases are pending in various courts. The number of cases closed under the process jumped to 5,426 in Q3 of FY2023-24 from 4,199 of Q3 in FY 2022-23. The manufacturing sector topped with 38 percent of the total cases followed by Real estate's 21 percent and construction's 12 percent. Till December 2023, creditors have realised ₹3.21 lakh crore.

**For More Details, Please Visit:** <https://www.moneycontrol.com/news/business/insolvency-cases-rise-18-in-oct-dec-shows-ibbi-data-12349201.html>

### Byju's US lenders invoke parent company's guarantee in insolvency proceedings

Bengaluru bench of NCLT has provided Byju's parent Think & Learn three weeks to file its objections to a petition filed by Glas Trust Company LLC, the administrative agent appointed by a group of lenders that had extended a \$1.2-billion term loan B to its US subsidiary Alpha Inc to collect the debt under the guaranteed agreement. The petitioner - that claims to collectively own more than 85% of the term loan B - invoked the guarantee provided by Think & Learn. The counsel for Glas Trust told the court that financially strained Byju's Alpha owes money to about 100 lenders.

**For More Details, Please Visit:**

<https://economictimes.indiatimes.com/tech/technology/byjus-us-lenders-invokes-parent-co-guarantee-in-insolvency-proceedings/articleshow/108072149.cms?from=mdr>

### British Businesswoman Amanda Staveley urges court to reject \$46 million bankruptcy petition against her business

Amanda Staveley has urged a London court to dismiss over 36-million-pound (\$45.5 million) claim brought against her by Greek shipping magnate Victor Restis, who she says is seeking to push her into bankruptcy. Staveley has submitted that she is not liable for a debt that includes interest of 31.3 million pounds, accruing at 505,000 pounds per day, and alleges the claim is an abuse of process. The case is related to a loan or investment by Restis in Staveley's businesses in 2008.

**For More Details, Please Visit:** <https://www.reuters.com/world/uk/businesswoman-staveley-seeks-throw-out-46-mln-bankruptcy-claim-2024-02-28/>



### NCLT approves Resolution Plan for Reliance Capital

The NCLT, Mumbai Bench has approved IndusInd International Holdings' Resolution Plan for the acquisition of Reliance Capital under the IBC.

As per the Resolution Plan, IndusInd International will provide upfront cash payment of ₹9,650 crore, accounting for 37.03 per cent of the initial amount claimed. The company has also proposed an amount net of ₹50 crore for the benefit of the CoC, which will be part of the upfront cash and an additional ₹11 crore over and above the proposed amount.

"The Resolution Plan provides for the implementation of the terms thereof within a period of 90 days from the approval of the Resolution Plan," said NCLT, adding that the 90-day timeline may be extended if required. According to media reports, the RBI and SEBI approvals are expected to come by next week or so, but the IRDAI application is in the process of being filed and might take some time.

**For More Details, Please Visit:**

<https://www.thehindubusinessline.com/money-and-banking/nclt-approves-hinduja-groups-resolution-plan-for-reliance-capital-takeover/article67892431.ece>

## EVENT PHOTOGRAPH



*Webinar on 'Recent Amendments under IBC' organized by IIIPI on March 01, 2024.*

### **IIIPI schedules two Webinar in March 2024**

The Webinar on “Emerging Jurisprudence – Recent Case Laws” has been scheduled from 3 to 6 PM on March 08, 2020, while the Webinar on “Individual Insolvency (PG to CD) process” will be conducted from 3 to 6 PM on March 15, 2024. The Insolvency Professionals (IPs) participating in these Webinars will be able to claim CPE 2 hours for each Webinar.

Earlier, a Webinar titled “Recent Amendments under IBC” having CPE 1 hour credit was organized by IIIPI on March 01, 2024.

#### **For More Details, Please Visit:**

<https://www.iiipicai.in/wp-content/uploads/2024/02/March-2024-webinars.pdf>