



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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# IIPI Newsletter

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### NCLT approved Repayment Plan by Personal Guarantors

As per the Repayment Plan approved by NCLT for Pradip Overseas, the creditors are required to release the personal guarantees provided by all the personal guarantors. Besides, creditors shall withdraw all the legal proceedings before various fora against the debtor within one month of the fulfilment of repayment obligations.

In this repayment plan, five personal guarantors, albeit from the same family, have come together for resolution of the Corporate Debtor. The personal guarantors had proposed to pay ₹11.51 crore against the total admitted liabilities of ₹ 3,017 crore.

**For More Details, Please Visit:**  
<https://www.msn.com/en-in/money/news/pradip-overseas-plan-receives-nclt-approval/ar-BB1kwCxQ>



## News Update

*\*For Internal Circulation Only  
\*Knowledge SBU Initiative*

### Successful Resolution Applicant is bound by the approved Resolution Plan, rules the Supreme Court

The Supreme Court has rejected the appeal of Deccan Value Investors, the Successful Resolution Applicant (SRA) to withdraw its Resolution Plan amounting ₹1,500 crore for resolution of Metalyst Forgings under the IBC. In its appeal, the SRA alleged that the Resolution Professional had failed to provide information which were critical to decision making regarding the Resolution Plan.

“Inadequacies and paltriness of data are accounted for and chronicled for valuations and the risk involved. It is strange to argue that the super-specialists and financial experts were gullible and misunderstood the details, figures, or data. The assumption is that the resolution applicant would submit the revival/ resolution plan specifying the monetary amount and other obligations after an in-depth analysis of the fiscal and commercial viability of the corporate debtor,” said the Supreme Court. It further added, “Pointing out the ambiguities or lack of specific details or data, post acceptance of the resolution plan by the CoC, should be rejected, except in an egregious case where data and facts are fudged or concealed. Absence or ambiguity of details and particulars should put the parties to caution, and it’s for them to ascertain details and exercise discretion to submit or not submit a resolution plan.” Rejecting appeal of the SRA, the Supreme Court said, “This is not a case where misinformation or wrong information was given to the resolution applicants.”

**For More Details, Please Visit:** <https://economictimes.indiatimes.com/news/india/resolution-winner-is-bound-by-plan-sc-rules-in-metalyst-forgings-case/articleshow/108771720.cms?from=mdr>

## News Roundup

### Appellate Tribunal sets aside insolvency of DB Realty after settlement with financial creditor

NCLAT has reportedly set aside insolvency process against DB Realty renamed as Valor Estate, following a settlement with its promoters and Bank of India regarding payment of ₹703.35 crore dues. “Borrower and financial creditor have agreed to file consent terms with NCLAT, New Delhi pursuant to the One Time Settlement entered into between the financial creditor and borrower,” said the Company in a regulatory filing. “Accordingly, the creditor shall withdraw any and all other CIRP proceedings instituted, and actions taken by it under any law against the company and other in the said matter and as a result, NCLT order dated July 04, 2023, passed against the company shall be set aside,” added the filing. The case is related to a term loan amounting ₹225 crore to DB Realty’s arm Pune Buildtech in September 2013.

**For More Details, Please Visit:**

<https://economictimes.indiatimes.com/industry/services/property/-construction/nclat-sets-aside-db-realty-insolvency-process-as-co-lender-settles-matter/articleshow/108709259.cms?from=mdr>

### NCLT orders CIRP against Vivimed Life Sciences Pvt. Ltd. for dues amounting to ₹1.37 crore

The CIRP petition has been filed by Chennai-based Wiz Logtec India Pvt. Ltd., against Vivimed Life Sciences Pvt. Ltd. (VLS), a subsidiary of Strides Pharma Science Ltd., for ₹1.37 crore dues. In 2019-20, VLS had signed an agreement with Wiz Logtec for export of pharmaceutical products, including customs clearance and transportation services. As per the said agreement, the Wiz Logtec was required to raise invoices along with supporting documents. However, against the invoices raised by Wiz Logtec, VLS paid ₹4.20 crore but failed to settle the invoices amounting to a principal of ₹1.21 crore plus interest totaling to ₹1.37 crore.

**For More Details, Please Visit:**

<https://www.newindianexpress.com/states/tamil-nadu/2024/Mar/26/nclt-admits-insolvency-plea-against-vivimed-for-not-paying-rs-137-crore-to-another-firm>

### USA’s two “senior living” companies filed for Chapter 11 bankruptcy

Two senior living healthcare companies - Magnolia Senior Living and Petersen Health Care -- have recently filed for Chapter 11 bankruptcy in the USA. Magnolia Senior Living operates four facilities in Georgia, while Petersen Health Care operates 100 assisted living and other long-term care facilities in Illinois, Iowa, and Missouri. However, Magnolia has reported assets with matching liabilities, but Petersen reported ~\$295 million in debt, including \$45 million owed under healthcare facility government loans.

**For More Details, Please Visit:** <https://www.mcknightsseniorliving.com/home/news/2-senior-living-companies-file-for-chapter-11-bankruptcy-protection/>



### IL&FS seeks NCLAT’s approval to sell its insolvent companies with haircuts

IL&FS Group has sought NCLAT’s nod to sell its stake with a “haircut” and without shareholders’ approval in its companies, which are insolvent with unsustainable debts and placed under the Category II list of the resolution framework.

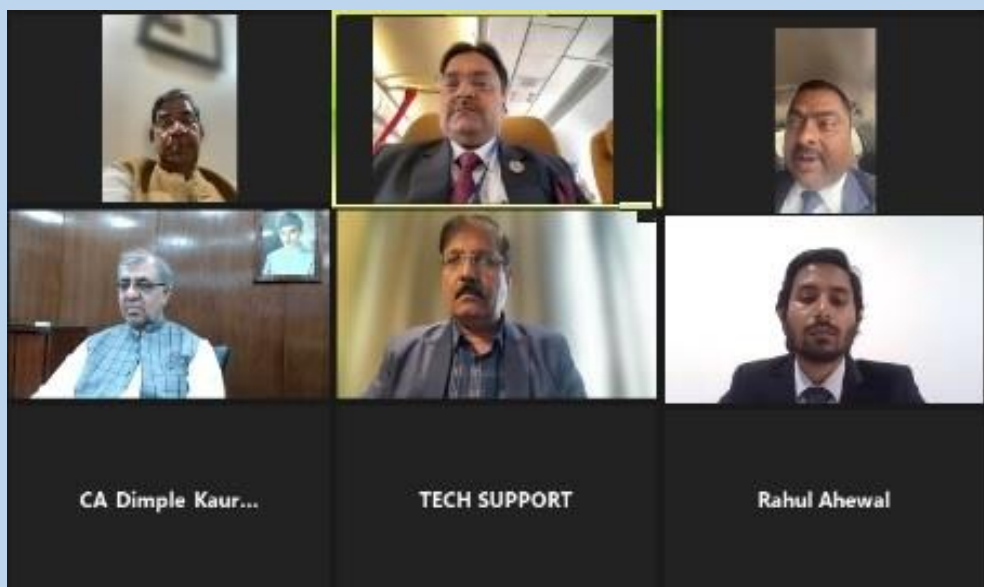
In the application, IL&FS has alleged that the shareholders of Category II are either blocking such resolution by voting in the CoC or filing an application before the NCLT. It further claimed that permitting for writing down the entire share capital of such Category II companies upon payment of the bid value/proceeds without the requirement of obtaining any further approvals from the shareholders, will result in the final resolution of these entities.

NCLAT approved resolution framework for IL&FS Group, which has a debt burden of ₹94,000 crore, divides its companies under two categories based on their potential bidding amount.

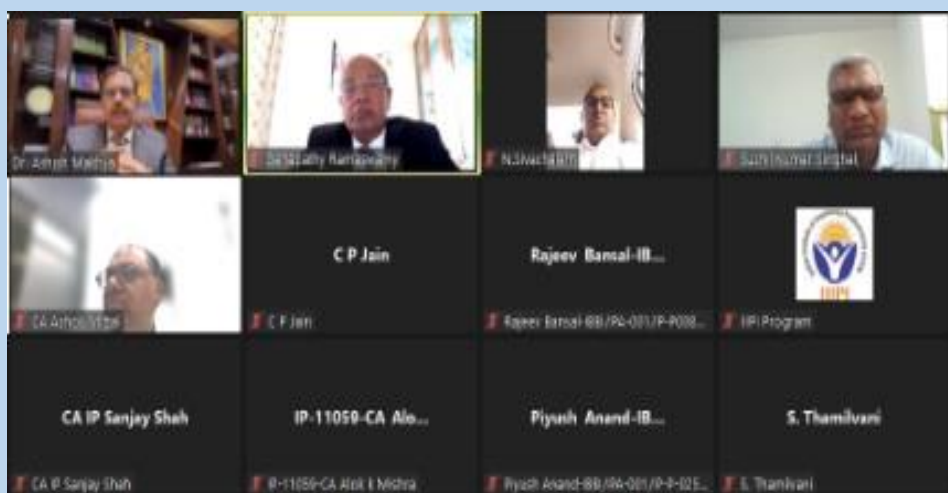
**For More Details, Please Visit:**

[https://www.business-standard.com/companies/news/il-fs-seeks-nod-to-sell-insolvent-companies-without-shareholders-approval-124032400221\\_1.html](https://www.business-standard.com/companies/news/il-fs-seeks-nod-to-sell-insolvent-companies-without-shareholders-approval-124032400221_1.html)

## EVENT PHOTOGRAPHS



*Webinar on "International Insolvency- Best Practices" organized by South Asian Federation of Accountants (SAFA) and Insolvency & Valuation Standards Board of ICAI jointly with IIIPI on March 20, 2024.*



*The 10th Batch of EDP on Mastering Legal Skills, Pleading and Court Processes Under the IBC conducted by IIIPI from 20th to 23rd March 2024.*

### **IIIPI announces "19th Batch (Online) of EDP (For IPs) on Managing CDs as Going Concern under CIRP" from April 23**

The 19th Batch of Executive Development Program (For IPs) on Managing Corporate Debtors as Going Concern under CIRP will be conducted from 23rd to 27th April 2024, through online mode. The five days program will be of 30 hours duration and CPE 20 hours credit.

The highlights of the program include managerial knowhow, regulatory framework, interdisciplinary approach, developing soft skills, and practical exposure via case studies. Interested candidates may register by 4 pm on April 22, 2024.

**For More Details, Please Visit:**  
<https://www.iiipicai.in/wp-content/uploads/2024/03/19th-EDP-CD-flyer.pdf>