



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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

IIPI Newsletter

April 15, 2024

Volume 09, Number 16

CONTENTS

News Update
News Roundup
Upcoming Event
Event Photographs

Creditors and Mumbai Metro struck 'one time debt settlement'

NCLT Mumbai has reportedly disposed of insolvency proceedings against Mumbai Metro One Pvt. Ltd (MMOPL), a unit of Reliance Infrastructure, after a one-time debt settlement agreement between the lenders and the company.

The CIRP petitions were filed separately by the State Bank of India and IDBI Bank against the MMOPL upon non-payment of dues to the tune of ₹416 crore and ₹133 crore, respectively. The two banks are part of a consortium of six lenders who lent a principal amount of ₹1,711 crore for the Mumbai Metro project.

For More Details, Please Visit:
<https://www.livemint.com/companies/news/nclt-disposes-of-bankruptcy-case-against-reliance-infras-mumbai-metro-one-11713186331925.html>



News Update

**For Internal Circulation Only
Knowledge SBU Initiative

Framework on Cross-Border Insolvency, should respect the law of other countries without superseding Indian law: Justice S. J. Mukhopadhaya, Former Judge, the Supreme Court

“We will have to respect the law of other countries, but it does not mean superseding our law. The dominance should be of our law in our jurisdiction,” said Shri S. J. Mukhopadhaya, Former Judge, the Supreme Court of India and former Chairperson, National Company Law Appellate Tribunal (NCLAT). He was speaking at the international conference on ‘Cross-Border and Group Insolvency in India: Challenges and Opportunities’ in the national capital on Saturday, organized by the Indian Institute of Insolvency Professionals of ICAI (IIPI) jointly with the Foreign, Commonwealth & Development Office-United Kingdom (UKFCDO), the Insolvency and Bankruptcy Board of India (IBBI) and the Institute of Chartered Accountants of India (ICAI).

Shri Sudhaker Shukla, Whole-Time Member (WTM) of IBBI, said efforts are on to develop a Cross-Border Insolvency Framework with a cautious approach as well as on Group Insolvency. National Company Law Tribunal (NCLT) Member (Judicial) Shri Ashok Kumar Bhardwaj said there is an increasing emphasis on a hybrid model of Cross Border Insolvency Framework wherein different jurisdictions have their laws and also have space for common interest. Speaking on this occasion, IIPI Chairman Ashok Haldia said IIPI has been proactively engaged in capacity building and policy advocacy on various aspects of the insolvency profession.

For More Details, Please Visit: https://www.business-standard.com/industry/news/efforts-on-to-develop-cross-border-insolvency-framework-say-experts-124041300806_1.html

News Roundup

'Smaaash' brand's ownership to be returned to the Corporate Debtor: NCLAT

The Appellate Tribunal has upheld the order of the Adjudicating Authority through which it had set aside transfer of the 'Smaaash' brand by the erstwhile promoter of Smaaash Entertainment Pvt Ltd (SEPL), the Corporate Debtor (CD) which is undergoing insolvency proceedings. The NCLAT observed that promoter's act was 'fraudulent' and directed the brand be returned to the CD. In the appeal filed before the NCLAT, the Resolution Professional had urged to restrain the promoter from transferring the 'Smaaash' trademark to privately owned Fun Gateway Arena Pvt Ltd after it was found that the brand was transferred through a back-dated deed of assignment. "This fraudulent action of the erstwhile management of the company had denuded the value of the company and is likely to substantially reduce the financial proposal offered by the prospective bidders," said NCLAT.

For More Details, Please Visit:

<https://www.livemint.com/companies/news/nclat-upholds-nclt-order-in-smaaash-insolvency-case-11713085073163.html>

NCLAT gives go ahead for insolvency proceedings against Tulip Hotels

Dismissing the appeal filed by Tulip Hotels, the NCLAT said, "When default is committed by the principal borrower, the amount becomes due against both the principal borrower and the Corporate Guarantor and hence both become liable to pay the amount when the default is committed". The Appellate further clarified that the default by the principal borrower and the guarantor arises on the same date unless, the terms of the contract of guarantee provide that the liability of the guarantor would arise in terms of the agreement. The court observed that the defaults had arisen on the issue of the demand notice by Yes Bank as contemplated in the guarantee.

For More Details, Please Visit:

<https://www.news18.com/business/nclat-upholds-insolvency-proceedings-against-tulip-hotels-over-default-of-guarantees-8847092.html>

European Union working to harmonize bankruptcy among member-nations

European Union leaders are reportedly scheduled to discuss for a harmonization of the 27-nation bloc's bankruptcy and corporate tax laws in summit on April 17-18, to attract more private capital for the EU shift to renewable energy and a more digital economy. Besides, the leaders are also expected to call for the development of a European securitization market and for better supervision of cross-border financial market actors.

For More Details, Please Visit: <https://www.reuters.com/markets/europe/eu-leaders-call-harmonised-eu-bankruptcy-corporate-tax-laws-2024-04-09/>



MCA to issue Discussion Papers on Cross-Border and Group Insolvency: WTM-IBBI

Shri Sudhaker Shukla, Whole Time Member (WTM)-IBBI, has said that Ministry of Corporate Affairs (MCA) will issue discussion papers on the two frameworks (Cross-Border Insolvency and Group Insolvency) soon, and the new norms would likely come into effect post elections. He was speaking at an event organized by Indian Institute of Insolvency Professionals of ICAI on April 13 in New Delhi.

Shri Shukla also mentioned that record-high resolutions under the IBC, totaling 269 in FY24, as against 189 in FY23, was possible due to speedy disposal of cases done by the NCLT.

The Government is focusing on out-of-the court settlements and providing latest technological platforms to Insolvency Professionals (IPs) for better management of cases, thereby enhancing effectiveness of the insolvency processes, including Cross-Border and Group Insolvency, said Shukla.

For More Details, Please Visit:

<https://www.financialexpress.com/business/banking-finance-discussion-paper-on-cross-border-insolvency-soon-official-3456131/>

EVENT PHOTOGRAPHS

INTERNATIONAL CONFERENCE ON CROSS-BORDER AND GROUP INSOLVENCY IN INDIA: CHALLENGES AND OPPORTUNITIES, APRIL 13, 2024



Chief Guest Justice Shri S. J. Mukhopadhaya, Former Judge, the Supreme Court & Former Chairperson-NCLAT addressing the Conference. Shri A. K. Bhardwaj, Hon'ble Member (J) NCLT; Shri Sudhaker Shukla, WTM-IBBI, CA. G. C. Mishra, Chairman, I&VSB of ICAI, and Dr. Ashok Haldia, Chairman-IIPI present on the dais as guests of honour.



The Chief Guest presenting certificates of merit to students of IIT Kharagpur, who had won the first and second prizes, respectively, in the National Online Quiz on IBC recently conducted by IIPI.



The first panel discussion chaired by Adv. Virender Ganda, President of NCLAT and NCLT Bar Association in which Mr. Benjamin Barker, Senior Policy Advisor, The Insolvency Service, UK; CA Hans Raj Chugh, Central Council Member of ICAI; Mr. Sidharth Sethi, Partner-JSA; Mr. Ashok Kumar, Partner-Black Oak LLC, Singapore; and Abhilash Lal, IP deliberated on various aspects of the Cross-Broder Insolvency and Group Insolvency.



The second Panel Discussion, moderated by Shailendra Ajmera, IP in which Mr. Simon Whiting, Assistant Director, Strategy, Policy, and Analysis -- Policy, The Insolvency Service-UK; Ms. Kanika Kitchlu-C Connolly, Partner, TLT, LLP-UK; Adv. Aparna Ravi, Partner-M/s Samvad Partners; and Mar. Surendra Raj Gang, IP, shared their views.