INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI
(Company formed by ICAI under Section 8 of the Companies Act 2013)

IIIPI Newsletter

March 24, 2025
IIIPI Newsletter No. 311

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News Update

No tax demand after approval of the Resolution Plan: Supreme Court

The Supreme Court has ruled that no tax demand, even if raised by the income tax (IT) department, can be allowed to be included in a resolution plan after its approval by the Adjudicating Authority (AA/NCLT). The Apex Court also clarified that all claims must be submitted to and decided by the resolution professional so that a prospective resolution applicant knows exactly what has to be paid, so that it may then take over and run the business of the Corporate Debtor.

"A successful resolution applicant cannot suddenly be faced with 'undecided' claims after the resolution plan submitted by him has been accepted, as this would amount to a hydra head popping up which would throw into uncertainty amounts payable by a prospective resolution applicant who would successfully take over the business of the corporate debtor," said the Supreme Court in a case of insolvency against Tehri Iron and Steel Casting Limited. In this case, the resolution plan was approved by the NCLT on May 21, 2019. Thereafter, the Income Tax (IT) department issued demand notices dated December 26, 2019, and December 28, 2019, under the IT Act concerning assessment years 2012-13 and 2013-14, respectively, in respect of the Corporate Debtor. The NCLT and NCLAT, however, sided with the I-T department. The Apex Court observed that no claims about the demands for the two assessment years was submitted.

For More Details, Please Visit:

https://www.business-standard.com/finance/news/no-tax-demand-can-be-raised-after-resolution-plan-approval-says-sc-125032101110_1.html

Acquisition of Reliance Capital completed

IndusInd International Holdings Ltd (IIHL), the Successful Resolution Application (SRA) of Reliance Capital, has reportedly claimed that it has completed the transaction to acquire Reliance Capital IBC by transferring the entire bid amount to lenders.

"The journey for value creation would now begin. The value of the Reliance Capital business on a conservative basis would be ₹20,000 crore," said IIHL to media. The Resolution Plan of IIHL was finally approved in April 2023 in which it had offered ₹9,650 crore to acquire Reliance Capital.

For More Details, Please Visit:

https://www.thehindu.com/business/iihl-completes-reliance-capital-acquisition-entire-bid-amount-transferred/article69345868.ece

News Roundup

Over 600 homebuyers in Greater Noida West to get flats under reverse insolvency proceedings: Media Report

According to a media report, an order of reverse Corporate Insolvency Resolution Process (CIRP) was obtained from the NCLT in the case of RG Luxury Homes. Subsequently, the project was completed under the supervision of Interim Resolution Professional (IRP) to which the Greater Noida Industrial Development Authority (GNIDA) recently provided an occupancy certificate (OC). This is the first project in Uttar Pradesh's Gautam Budh Nagar district that has been completed and given OC through reverse insolvency process, said the media report. Reverse CIRP is a mechanism primarily used to revive distressed real estate projects or companies that are undergoing insolvency proceedings. Under reverse insolvency, promoters are required to infuse funds in the project as a lender to complete a project.

For More Details, Please Visit:

https://www.moneycontrol.com/news/business/real-estate/over-600-homebuyers-in-greater-noida-west-project-to-get-flats-under-reverse-insolvency-process-12898846.html

CIRP petition filed against Zomato for default of ₹1.64 Cr.

The Corporate Insolvency Resolution Process (CIRP) application for initiation of CIRP against the food delivery giant Zomato has been reportedly filed by uniform supplier Nona Lifestyle due to an unpaid dues of ₹1.64 crore. According to media reports, the payment dues against the supply of uniforms and merchandise, including ICC World Cup 2023 apparel to Zomato which were provided to Zomato by Nona Lifestyle which is a B2B apparel manufacturer. Nona Lifestyle claimed that Zomato placed multiple orders in 2023 for rider uniforms, trousers, and World Cup jerseys. However, Zomato delayed payments and refused deliveries, said media reports.

For More Details, Please Visit:

https://economictimes.indiatimes.com/tech/startups/zomato-faces-insolvency-plea-over-alleged-rs-1-64-crore-unpaid-dues/articleshow/119126491.cms?from=mdr

DNA testing firm 23andMe files for bankruptcy in the USA

According to media reports, the $50 million company has filed for Chapter 11 bankruptcy protection to sell itself. Its co-founder and CEO Anne Wojcicki resigned after multiple failed takeover bids. 23andMe, whose saliva-based test kits help customers learn about their ancestry, had cut about 40%, or 200 employees, of its workforce and stopped development of all its therapies as part of a restructuring program announced in November last year. The company's last offer was for $0.41 per share, an 84% cut from an offer in the previous month since her private equity partner in that bid had walked after the board's rejection.

For More Details, Please Visit:

https://www.investing.com/news/stock-market-news/dna-testing-firm-23andme-files-for-chapter-11-bankruptcy-to-sell-itself-3943486

Parliamentary Panel suggests 4-point action plan to improve IBC outcomes

The Standing Committee of Parliament on Finance has reportedly directed the Ministry of Corporate Affairs (MCA) to implement a direct submission system for resolution plans through a central online portal.

This move aims to ensure confidentiality in the submission process, preventing any undue advantage for certain parties, the Committee reportedly stated in its latest report on MCA's demands for grants for 2025-26. In addition to this, the four-point action plan also includes Enhancing the Role and Accountability of Resolution Professionals; Transparent Monitoring of Case Resolution Timelines and Review of the Committee of Creditors' (CoC) Structure.

For More Details, Please Visit:

https://www.thehindubusinessline.com/economy/standing-committee-on-finance-recommends-direct-submission-system-for-ibc-resolution-plans/article69352602.ece

EVENT PHOTOGRAPHS

One Day Virtual Workshop "Avoidance/PUFE Forensics under IBC" organized by IIIPI on March 22, 2025.

2nd Batch of EDP on Cross Border Insolvency (Online) organized by IIIPI from 11th to 12th March 2025.

IIIPI to organize EDP on Managing CD as Going Concern from 25th to 29th March

The 24th Batch - Executive Development Program (EDP) on "Managing Corporate Debtor as Going Concern under CIRP (For IPs)" will be conducted from 25th March to 29th March 2025. The duration of the program will be 30 Hours (over 5 days), and participants will be eligible for CPE: 20 hours. However, the last date of registration is 5 PM on 24th March 2025 but the candidates are advised to register as soon as possible to avoid last minute rush.

For More Details, Please Visit:
https://www.iiipicai.in/wp-content/uploads/2025/03/24th-EDP-CD-Flyer.pdf