



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"The man who has confidence in himself gains the confidence of others."

"The man who has confidence in himself gains the confidence of others."

➤ Pre-packaged resolution for MSMEs yet to unwrap success

Bankers are reluctant to take any MSME through the process anticipating a deep haircut while promoters of MSMEs do not want to risk losing their company to a third party. The government, meanwhile, is considering a similar process for larger companies as delays in cases are seen as potentially diminishing the appeal of the Insolvency and Bankruptcy Code (IBC).

Mumbai: The pre-packaged insolvency resolution process (PPIRP) for micro small and medium enterprises (MSMEs) has had a circumspect start to its innings, with only four cases admitted in two years since the government tailored the programme to help extricate loans stuck in small business.

There are no takers for this scheme because banks prefer a one-time settlement (OTS) in such cases and they are quicker to implement," said a senior banking executive. "This scheme is, in fact, similar to an OTS because the creditor and the bank have to agree to the plan, but the big difference is that in the PPIRP, we need a court approval that takes its own time.

In 2021, the Centre passed an ordinance allowing pre-packs as an insolvency resolution mechanism for MSMEs with defaults up to ₹1 crore. PPIRP allows creditors and debtors to work on a resolution plan and then submit it for approval from the courts. The incumbent management typically retains control until the final deal is approved by the court.

Source: The Economic times

ReadFullnewsat: <https://economictimes.indiatimes.com/markets/stocks/news/pre-packageresolution-for-msmes-yet-to-unwrap-success/articleshow/99598368.cms?from=mdr>

➤ **Reliance Capital resolution process completion deadline extended to July 16**

The National Company Law Tribunal (NCLT) has extended the deadline for completing the resolution process of Reliance Capital by three months to July 16 as lenders have agreed to hold a second round of auction to maximise their recovery. The earlier deadline was April 16.

The 90-days deadline extension was necessitated as the lenders decided to hold a second round of auction on April 26 in order to maximise the recovery from the sale of Reliance Capital assets.

Bidders who have confirmed their participation in the second round of auction are IndusInd International Holdings Ltd (IIHL) of Hinduja Group, Torrent Investment and Singapore-based Oaktree.

Earlier the second round of auction was scheduled for April 11, but it was postponed for April 26 as the lenders need time to sort out the issues raised by the bidders.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/industry/banking/finance/reliance-capital-resolution-process-completion-deadline-extended-to-july-16/articleshow/99581499.cms?from=mdr>

➤ **NCLT New Delhi Orders Liquidation Of M/S. Hema Automotive Pvt. Ltd Under Section 33 Of IBC**

The NCLT New Delhi bench has ordered for Liquidation of M/s. Hema Automotive Pvt. Ltd. ("Corporate Debtor"). The Company was admitted into Corporate Insolvency Resolution Process ("CIRP") on 08.07.2022. Hero Fincorp Ltd ("Financial Creditor") was the sole member of the Committee of Creditors ("CoC"). The CoC resolved to Liquidate the Corporate Debtor in its 4th meeting with 100% voting as the Company was not a Going Concern since the last 2 years before the initiation of CIRP and all the assets of the Company had already been realized by Hero Fincorp Ltd under the SARFAESI Act, 2002 before commencement of CIRP.

Source: Live Law

Read Full news at: <https://www.livelaw.in/ibc-cases/nclt-new-delhi-orders-liquidation-of-ms-hema-automotive-pvt-ltd-under-section-33-of-ibc-226657>

