



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Diligence is the mother of good luck."

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➤ Tilaknagar Industries' Prag Distillery moves out of liquidation

The National Company Law Tribunal (NCLT) has removed Prag Distillery from liquidation proceedings and allowed the reinstatement of the board of directors. Prag Distillery, a subsidiary of Tilaknagar Industries, had defaulted on loan repayments and filed for insolvency. After settling outstanding dues, the NCLT nullified preferential transactions and approved the withdrawal of the liquidation application. The decision allows Prag Distillery to resume management operations.

The National Company Law Tribunal (NCLT) has directed the removal of Prag Distillery Pvt. Ltd., a wholly owned subsidiary of Tilaknagar Industries Limited, from the liquidation proceedings. In addition, the NCLT order permits the reinstatement of the board of directors to resume management operations. Located in Andhra Pradesh, Prag Distillery has an annual bottling capacity of approximately six lakh cases.

Tilaknagar Industries Ltd, known for the Mansion House brand, had previously reached an agreement with Standard Chartered Bank, the financial creditor of Prag Distillery, to settle all outstanding dues owed by the subsidiary. Pursuant to this agreement, Tilaknagar Industries made a payment of \$2.25 lakh to Standard Chartered Bank on behalf of Prag Distillery.

Prag Distillery was admitted for the Corporate Insolvency Resolution Process (CIRP) under Section 7 of the Insolvency and Bankruptcy Code (IBC) in June 2017 by NCLT's Mumbai bench. The application had been filed by Standard Chartered Bank (SCB), its financial creditor.

Source: Mint.

Read Full news at: <https://www.livemint.com/companies/news/nclt-orders-removal-of-prag-distillery-from-liquidation-proceedings-allows-board-reinstatement/amp-11688017594757.html>

➤ Since launch, IBC has resolved 72% of distressed asset cases

The bankruptcy code has rescued 72% of the distressed assets since it came into being in 2016, though half of them ended in orders of liquidation, said the Financial Stability Report by the Reserve Bank of India.

By March 2023, a total of 6,571 corporate insolvency resolution process (CIRPs) had commenced, of which 4,515 or 69% were closed. Among the closed CIRPs, 21% were closed on appeal, review, or through settlements, 19% were withdrawn, 45% ended in orders for liquidation, and 15% resulted in the approval of resolution plans.

The average time for concluding the 678 CIRPs that yielded resolution plans was 512 days, while CIRPs ending in liquidation took an average of 456 days. Voluntary liquidation processes took an average of 411 days for closure.

Source: The Economic Times.

Read Full news at: https://m.economictimes.com/news/economy/policy/since-launch-ibc-has-resolved-72-of-distressed-asset-cases/amp_articleshow/101348409.cms

➤ Reliance Capital lenders agree to resolution plan of IndusInd International Holdings

The creditors of Reliance Capital Ltd (RCL) have given their nod to a resolution plan submitted by IndusInd International Holdings Ltd (IIHL). The Hinduja group firm will offer an upfront cash of Rs 9,661 crore for the debt-ridden financial services company.

Apart from this amount, lenders of RCL will also get access to around Rs 400-500 crore of cash in RCL's books. Their total recovery will be around Rs 10,200 crore against Rs 16,000 crore principal secured debt. It will thus be resulting in a 65 per cent recovery for the lenders. Sources said the IIHL proposal got the support of more than 99 per cent of the lenders.

Source: The Telegraph.

Read Full news at: <https://www.telegraphindia.com/business/reliance-capital-lenders-agree-to-resolution-plan-of-indusind-international-holdings/cid/1948749>

