



## IIPI Newsletter

January 7, 2021

Volume 6, Number 01

\*For Internal Circulation Only\* Knowledge SBU Initiative

### UPCOMING EVENTS

#### 38<sup>th</sup> Batch of Pre-Registration Educational Course

All the three IPAs would be conducting the 38<sup>th</sup> batch of Pre-Registration Educational Course (PREC) via online mode from 18<sup>th</sup> to 24<sup>th</sup> January 2021.

*Details are available at:*

<https://www.iiipicai.in/images/PDF/Announcement-of-38th-PREC--Online.pdf>

### NEWS UPDATE

#### IBBI published 'Panel of IPs' for January 1 to June 30, 2021

The IBBI has published the final list of panel for appointment and act as IRP, Liquidator, RP and BT for a period from January 01, 2021 to June 30, 2021. The Panel has been prepared in accordance with the guidelines titled "Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) (Second) Guidelines, 2020".

*Complete list is available at:*

<https://ibbi.gov.in/uploads/whatsnew/fa935ffed5f97e07eeca72be234c9317.pdf>

#### IPs shall preserve electronic records of CIRP for 8 years: IBBI

Vide circular dated January 06, 2021, the IBBI has directed that IRPs/RPs shall preserve the records of CIRPs in physical form for minimum 3 years and electronic form for a minimum period of 8 years from the date of completion of the CIRP or the conclusion of any proceeding relating to CIRP, before the Adjudicating Authority, Appellate Authority or Court, or any matter pending with the Board, whichever is later. If an IRP/ RP was replaced during CIRP, s/he shall have to preserve the records of his tenure.

*Circular be accessed at:*

<https://ibbi.gov.in/uploads/egalframework/f8d420c06d50a94068157e0324067d26.pdf>

## POINT TO PONDER

When you lose, do not lose the lesson: His Holiness Dalai Lama

### NEWS UPDATE

#### **BSES Delhi units to face Insolvency**

Aravali Power Company Pvt. Ltd, has invoked the insolvency law seeking payment of its dues from two BSES Delhi power distribution companies. In two separate Form 3 notices under the Insolvency and Bankruptcy Code, Aravali Power has sought ₹352 crore from BSES Rajdhani Power Ltd (BRPL) and ₹46 crore from BSES Yamuna Power Ltd, said media reports. The two BSES companies have close to 4.5 million customers in Delhi.

*For More Details, Please Visit:*

<https://economictimes.indiatimes.com/industry/energy/insolvency-law-invoked-against-bses-delhi-units/articleshow/80103832.cms>

#### **Creditors cannot rely on balance sheet entries showing debt as an acknowledgement for extending the limitation period: NCLAT**

Till now, creditors relied on the acknowledgement of debt in balance sheet entries while initiating insolvency proceedings, which helped them, get over the three-year limitation period hurdle. However, in a recent judgment, a five member bench of NCLAT, has now held creditors cannot rely on balance sheet entries as proof of debt and continue to extend the limitation period. According to experts, "Not recognizing an entry of debt in the balance sheet would lead to several applications being dismissed on the ground of limitation despite categorically acknowledgment of liability in the balance sheets by the debtor". The NCLAT's decision would require a re-examination and will need to be settled by the Supreme Court, according to the lawyers interviewed.

*For More Details, Please Visit:*

<https://www.bloomberquint.com/law-and-policy/financial-creditors-to-face-a-new-hurdle-while-initiating-insolvency>

#### **IBBI to build capacity of IPs and promote best practices: Dr. MS Sahoo**

In a media statement on January 01, 2021, the IBBI Chairperson Dr. M. S. Sahoo said, "IBBI will strive to provide a malleable regulatory framework within the confines of the Code, build the capacity of insolvency professionals and other constituents, and promote best practices,". He further added, "It will continue its engagement with the stakeholders to ensure insolvency reform, remains a reform by the stakeholders, for the stakeholders and of the stakeholders."

*For More Details, Please Visit:*

<https://www.thehindu.com/business/will-strive-for-malleable-regulatory-framework/article33474916.ece>

## **DHFL Case: Benefits of Avoidance Applications should come to CoC, says 63 Moons**

Financial services company Rs 63 moons' wants the creditors of Dewan Housing Finance Corporation (DHFL) to receive the money, instead of the prospective buyer, incase recovery happens in the alleged fraudulent transactions by former promoters.

"The benefit of avoidance applications for approximately Rs 30,000 crore filed by DHFL administrator under section 66 of Insolvency and Bankruptcy Code (IBC) should come to CoC, including NCD holders, who are the actual sufferers of the default," 63 Moons said in a release.

At present, as per the resolution plans submitted by resolution applicants, the benefit or the recovery amount arising from the avoidance applications will go to resolution applicant, it further said. NCLT will hear 63 moons' petition on January 13.

*For More Details, Please Visit:*

<https://www.msn.com/en-in/money/news/63-moons-moves-nclt-seeking-recovery-for-dhfl-creditors/ar-BB1co4nN>

## **Section-wise Jurisprudence on IBC upto 30.09.2020**

IBBI published the largest up-to-date account of the jurisprudential development into the nuances of corporate insolvency resolution and other processes. It delineates the pronouncements, as per the statutory provisions applied and interpreted by the judiciary in much simpler manner.

*For More Details, Please Visit:*

<https://ibbi.gov.in/uploads/legalframework/e356f00d1da898542eef0dd47ee58925.pdf>

## **NCLT, New Delhi directs RP to not proceed with resolution plan pending decision on rights of landowners**

In their letters to the Resolution Professional (RP), the landowners asked that their valuable piece of land be given back to them. The RP also filed an application seeking a direction to the land owners to file their claim as an operational creditor of the corporate debtor. The landowner stated that the application was not maintainable in the eyes of law as the RP could not ask a creditor to file a claim in a particular class. (SCSL Buildwell Pvt Ltd v. PAL Infrastructure & Developers Pvt Ltd).

*For More Details, Please Visit:*

<https://www.barandbench.com/news/litigation/nclt-directs-rp-to-not-proceed-with-resolution-plan-pending-decision-on-landowner-rights>

***Hope you find this Update helpful***

***Suggestions if any, may be mailed to [iiipi.pub@icai.in](mailto:iiipi.pub@icai.in)***