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IIPI Newsletter

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NCLT Benches shall start regular physical hearing from March 01

National Company Law Tribunal (NCLT) through an order on February 23, 2021 has directed all the NCLT Benches in the country to resume 'regular physical hearing w.e.f. March 01, 2021'.

However, some courts in almost all the NCLT Benches have been allowed to conduct hearing via video conferencing on certain days of the week. Besides, in case any counsel/ representative of party expresses difficulty in physical hearing, he/she may be permitted for virtual hearing, says the order.

For More Details, Please Visit:

<https://nclt.gov.in/sites/default/files/January2021/circulars/NCLT-%20Physical%20hearing%20order%20dated%2023.2.2021.pdf>



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Knowledge SBU Initiative

News Update

Resolution Plan can only be presented to CoC, says NCLT while rejecting Jet Airways Workers' Unions' pleas

The Mumbai bench of NCLT, chaired by Mohammed Ajmal and V Nallasenapathy, dismissed pleas by Workers' Unions seeking a copy of the resolution plan submitted by Kalrock-Jalan consortium for the grounded airlines. The court observed that a resolution plan can only be presented to the creditors' committee or the adjudicating authority for its approval. Insolvency code doesn't contemplate sharing of the plan with any other entity, the tribunal said while dismissing the plea. Three unions — the National Aviators' Guild, representing more than 1,000 pilots, Jet Aircraft Maintenance Engineers Welfare Association and the Jet Airways Cabin Crew Association, together representing 70% of the airline's ground staff — moved the NCLT seeking a stay on any final order until their plea was decided by the tribunal. The AA also rejected similar pleas by other parties.

Insolvency proceedings against Jet Airways were initiated by consortium of 26 lenders led by State Bank of India in June 2019, subsequently Mr. Ashish Chawchharia was appointed as its resolution professional. The Resolution Plan submitted by Dubai-based entrepreneur Murari Lal Jalan and Kalrock Capital was approved by the AA in October, 2020.

For More Details, Please Visit:

<https://www.bloombergquint.com/law-and-policy/jet-airways-insolvency-nclt-denies-workers-unions-plea>

News Roundup

Government may allow MSMEs to initiate self bankruptcy process

According to media reports, the Central Government and IBBI are working on a proposed system within the IBC framework under which the MSMEs may be allowed to trigger their own bankruptcy process.

However, to be able to do so, a stressed MSME will require the approval of unrelated financial creditors who account for at least 25% of outstanding claims. If creditors want to initiate bankruptcy proceedings against MSMEs, they would need to go through the usual Corporate Insolvency Resolution Process (CIRP) under the extant rules, the sources said. As part of its measures to soften the Covid-19 blow, the government had last year proposed to bring in a special framework for these small businesses. However, the default threshold to trigger this process will remain Rs 1 crore and 270 days.

For More Details, Please Visit:

<https://www.bloomberquint.com/law-and-policy/jet-airways-insolvency-nclt-denies-workers-unions-plea>

NCLT admitted insolvency proceedings against Tops Security

Mumbai Bench of NCLT has allowed insolvency proceedings against Topsgroup Services and Solutions popularly known as Tops Security. The order was passed on CIRP application of Punjab National Bank for a debt amounting Rs 136 crore. In the case Tops Security was guarantor to the debt procured by Shield Guarding Company. The court was also informed that Topsgroup has changed the name at least three times. The Enforcement Director is investigating into a money laundering cam of Rs 175 crore against the Tops Security group and the promoter Mr. Rahul Nanda is presently in jail.

For More Details, Please Visit:

<https://economictimes.indiatimes.com/news/politics-and-nation/bankruptcy-court-admits-insolvency-proceedings-against-tops-security/articleshow/81157630.cms>

UK's New Pension Law imposes criminal liability on IPs

As Section 107 of the Pension Schemes Act 2021 introduces two new criminal offences (as Sections 58A and 58B of the Pensions Act 2014) i.e. Avoidance of employer debt; and Conduct risking accrued scheme benefits.

For More Details, Please Visit:

<https://www.financialexpress.com/opinion/corporate-insolvency-making-the-resolution-process-better/2197479/>



IIPI organized one day training program on IBC for bank officials

IIPI conducted one day 'Training Program on IBC for Bank Officials' from 9.45 AM to 6.45 PM on February 20, 2021. In this program Mr. Deepak Maini, IP, addressed the participants on Corporate Insolvency Resolution Process (CIRP), Liquidation, Role of Committee of Creditors (CoC) during CIRP and Personal Guarantors to Liquidation while Ms. Anju Agarwal, IP, took the session on 'Pre-Package Insolvency'. Mr. Saji Kumar, Joint Secretary and Legislative Counsel, Union Ministry of Law and Justice and Former Executive Director of IBBI addressed the participants comprised of Incorporation of Public Interest and Relevant Court Judgements. The program was divided into three sessions and there were 'Query Sessions' at the end of each session.

Dr. Ashok Haldia, Chairman, IIPI presented the 'Opening Remarks' and CA. Rahul Madan moderated the program. Mr. Ravi Ranjan presented Vote of Thanks.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2021/02/Blue-and-Red-Geometric-Webinar-Event-Flyer-2-1.pdf>

Event Photos



Mr. Saji Kumar, Joint Secretary and Legislative Counsel, Ministry of Law and Justice addressing participants in the 'Training program on IBC for Bank Officials' on 20th February.



Mr. Deepak Maini and Ms. Anju Agarwal answering the queries of participants in 'Query Session' in the 'Training program on IBC for Bank Officials' on 20th February



Upcoming Event

41st Batch of Pre-Registration Educational Course

The 41st Batch of Pre-Registration Educational Course (PREC) will be conducted using ONLINE mode from 02/03/2021 to 08/03/2021. All the three IPAs viz., IIPi, ICSI IIP and IPA ICAI, are jointly conducting the Course.

All the 50 seats of the 41st Batch of PREC are full.

In Lieu of the current situation of COVID-19, and as per the IBBI Circular dated 10th July, 2020, which states that the mandatory 50 Hour training of Pre-registration Educational Course will be to continue online delivery of education beyond 30th September, 2020, in addition to classroom mode, wherever possible. These online classes will be conducted online.

For More Details, Please Visit:

<https://www.iipicai.in/wp-content/uploads/2021/02/Mailer-for-41st-Batch-PREC.pdf>