



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

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MCA notifies Pre- Packaged rules (PPIRP-2021) on MSMEs

In exercise of the powers conferred by sub-section (1) and clause (fd) of sub-section (2) of section 239 read with sub-section (2) of section 54C of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), as amended by the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 (3 of 2021), the Central Government on April 09, 2021 has made rules for the same.

The rule includes eligibility criteria, performa of application form, affidavits and list of certificates etc., required to be submitted by MSMEs to avail the benefits of pre-packaged insolvency.

For More Details, Please Visit:

https://www.mca.gov.in/Ministry/pdf/InsolvencyandBankruptcyRules_12042021.pdf



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News Update

RCom and Aircel's Resolution Plans in Trouble After NCLAT Judgement

Recently NCLAT stated that the telcos under insolvency process or Insolvency and Bankruptcy Code (IBC) can't 'use or transfer' their spectrum until the time they have cleared all government dues.

Due to the decision of the tribunal, RCom and Aircel's resolution plans have taken a hit, the lenders of Aircel and the UV Asset Reconstruction Company Limited (UVARCL) might approach the Supreme Court (SC) to oversee the NCLAT judgement.

The lenders hoped to recover around 25,000 to 30,000 crores from the resolution plans under IBC against their total claims of Rs 1,16,000 crores.

Aircel and RCom owed government about Rs 38,000 crores only in the adjusted gross revenue (AGR) dues. The Department of Telecommunications (DoT) is further looking to get Rs 14,000 crores from Aircel as an operational creditor for defaults on timely payments and also for the right to use spectrum.

The telcos maybe forced to go towards liquidation if they aren't allowed to sell the spectrum.

For More Details, Please Visit:

<https://telecomtalk.info/rcom-aircels-resolution-plans-trouble/352723/>

News Roundup

IBC Amendment (2019) to Section 31 has Retrospective Operation: Supreme Court

The Supreme Court has held that 2019 amendment to Section 31 of the IBC, 2016 has retrospective operation. The amendment will be effective from the date on which IBC, 2016 has come into effect and is clarificatory and declaratory in nature, the bench comprising Justices RF Nariman, BR Gavai and Hrishikesh Roy observed.

Regarding the retrospectivity of Section 31, the bench observed that the word "other stakeholders" would squarely cover the Central Government, any State Government or local authorities.

For More Details, Please Visit

<https://www.livelaw.in/top-stories/2019-amendment-section-31-ibc-insolvency-and-bankruptcy-code-retrospective-operation-supreme-court-172545>

Jaypee Infra insolvency: Lenders ask NBCC to take Govt, regulatory nod on resolution plan

Lenders of Jaypee Infratech asked state-owned NBCC to take the government's approval for the revised bid that it submitted to acquire the bankruptcy-bound real estate firm. During the meeting, lenders asked NBCC to take the government's approval as well as the fair trade regulator nod on the bid, they added. Last month, the Supreme Court had allowed NBCC and Suraksha Realty could file revised proposals.

For More Details, Please Visit:

<https://www.livemint.com/news/india/jaypee-infra-insolvency-lenders-ask-nbcc-to-take-govt-regulatory-nod-on-resolution-plan-11618327475105.html>

As COVID-19 restrictions back, ASSOCHAM demands IBC moratorium till December 2021

"In view of the altered situation, placing the NCLT resolution process under suspension again till December this year is a critical interim measure, which needs to be expedited, until targeted assistance can be granted, after a comprehensive assessment," said ASSOCHAM in a representation to the Union Ministry of Finance.

For More Details, Please Visit:

<https://www.businesstoday.in/current/economy-politics/assocham-urges-centre-to-reimpose-moratorium-on-taking-firms-to-nclt-under-ibc/story/436823.html>

IIPI forms research groups on 'Smaller IPs'

With a view to resolve the issues being faced by smaller IPs, IIPI has taken up an initiative to conduct "Brain Storm Session on Enhancing Role of Smaller IPs" on a weekly basis for which two Research Groups to discuss on the topic. This decision was taken during first "Brain Storm Session on Enhancing Role of Smaller IPs under IBC" at 4 pm, 14th April, 2021.

For More Details, Please Visit: <https://www.iiipicai.in/forthcoming-events/>



Know the MSMEs covered under Pre-Packaged Insolvency Resolution Process (PPIRP)

As per the PPIRP Rules 2021 notified by the Ministry of Corporate Affairs (MCA), an application for initiating PPIRP may be made in respect of a corporate debtor classified as a MSME under sub-section (1) of section 7 of the MSMEs Development Act, 2006. The law mandates MSMEs to attach a copy of the latest Udyam Registration Certificate with the application form.

Presently, there are only 26.42 lakh MSMEs registered with Udyam Registration (MSME registration) website. However, the data of National Sample Survey 73rd Round (2015-2016), reveals that there are an estimated 6.3 crore MSMEs that exist in the country.

Furthermore, the applicant MSME should be a Company or Limited Liability Partnerships (LLP). The law does not include Sole Proprietorship, Partnerships and Hindu Undivided Family forms of MSMEs out of the ambit of the PPIRP.

For More Details, Please Visit:

<https://www.moneycontrol.com/news/trends/why-most-msmes-are-not-eligible-for-the-pre-packed-insolvency-resolution-process-6758611.html>

Event Photos



Snapshot from the “Brain Storm Session on Enhancing Role of Smaller IPs under IBC” at 4pm, 14th April, 2021 organized by IIIPI.



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43rd Batch of Pre-Registration Educational Course

The 43rd Batch of Pre-Registration Educational Course (PREC) will be conducted using ONLINE mode from 26/04/2021 to 02/05/2021. The course is being conducted by IIIPI individually. 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.natlawreview.com/article/uk-insolvency-protection-laws-extended-where-are-we-now>