



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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# IIPI Newsletter

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### Ordinance on Pre-Pack of MSMEs among key agenda in Monsoon Session of Parliament

The Central Government will seek the ratification of the Parliament on Pre-Pack Insolvency Resolution Process (PIRP) for MSMEs in the Monsoon Session scheduled from July 19 to August 13. PIRP for MSMEs was introduced through an Ordinance of the President on April 04, 2021.

According to media reports, the government will also seek Parliament's nod for the Deposit Insurance and Credit Guarantee Corporation (Amendment) Bill to give time-bound access to depositors for their insured amount of Rs 5 lakh if banks go bust.

**For More Details, Please**

**Visit:**

<https://www.financialexpress.com/economy/monsoon-session-pre-pack-insolvency-bank-privatisation-top-agenda/2289600/>

## News Update

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

### IBBI amends CIRP Regulations for 2nd time to ensure appointments of professionals “on an arm’s length basis”

“The interim resolution professional (IRP) or the resolution professional (RP), as the case may be, may appoint any professional, in addition to registered valuers under sub-regulation (1), to assist him in discharge of his duties in conduct of the corporate insolvency resolution process (CIRP), if he is of the opinion that the services of such professional are required and such services are not available with the corporate debtor,” reads newly inserted Regulation 27 (2) in the IBBI (Insolvency Resolution Process for Corporate Persons (Second Amendment), Regulations, 2021 notified through a Gazette Notification on July 14, 2021. Earlier, the Regulation 27 was applicable only for the Appointment of Registered Valuers which has been retained as Regulation 27 (1). Besides, Regulations 27 (2), (3) and (4) have been inserted.

The Regulation 27 (3) clarifies, “The IRP or the RP, as the case may be, shall appoint a professional under this regulation on an arm’s length basis following an objective and transparent process.” Furthermore, the conditions for appointment of registered valuers will be applicable for all the professionals. The Regulation 27 (4) provides more financial independence to the appointed professionals. It reads, “The invoice for fee and other expenses incurred by a professional appointed under this regulation shall be raised in the name of the professional and be paid directly into the bank account of such professional.” Besides, several other regulations such as Regulation 3 (1), 3 (2), 3 (3), 4, 9A, 13, 19 etc, have also been amended.

**For More Details, Please Visit:**

<https://www.ibbi.aov.in/uploads/lealframework/48e2aa83bdcfb902ffb5852fccaac8c1.pdf>

## News Roundup

### Resolution Plan can't be subjected to statutory claims which weren't known prior to its approval: NCLAT

In the matter of DHFL, the NCLAT has ruled that the successful Resolution Applicant is not liable for dues which were not known till the time of approval of the Resolution Plan. Therefore, Piramal Group need not move to statutory authorities for waiver of such dues. All such dues will be considered as waived off.

Through this order, the NCLAT has nullified the part of the NCLT Mumbai order while approving the Resolution Plan that had made it mandatory for the successful Resolution Applicant to approach various authorities for waiver of statutory liabilities. The order of the Appellate Tribunal is line to the 2019 Essar steel judgement and 2020 Ghanshyam Mishra judgement of the Supreme Court.

**For More Details, Please Visit:**

<https://www.timesnownews.com/business-economy/companies/article/nclat-relief-for-piramal-capital-to-speed-up-dhfls-insolvency-process/783899>

### NCLT revokes liquidation of Lotus City Project on Yamuna Expressway, asks RP to invite fresh Resolution Plans

Lotus City Plot Buyers Associations, an association of over 250 homebuyers, argued that NCLT had not included the ₹211 crore due to allottees which would stand satisfied after giving possession of flats. Furthermore, the NCLT had not included ₹50.5 crore, the Resolution Applicant had paid to the former promoters of the project. Launched in 2012 by 3 C Homes Pvt. Ltd., the Lotus City project went for insolvency on September 06, 2019.

Ace Infrastructure was the lone bidder to submit the Resolution Plan which was approved by the CoC. However, the NCLT rejected the Plan contending that the liquidation value of the project amounting ₹480 crore was much higher than the ₹ 95 crore required to complete it.

**For More Details, Please Visit:**

<https://timesofindia.indiatimes.com/city/noida/lotus-city-not-to-be-liquidated-tribunal-rules-on-plot-buyers-plea/articleshow/84280159.cms>

### USA's Limetree Bay, once largest refinery in the Western Hemisphere, files for Bankruptcy

"Severe financial and regulatory constraints have left us no choice but to pursue this path, after careful consideration of all alternatives," Jeff Rinker, Limetree Bay's chief executive, said of the bankruptcy filing in a statement.

**For More Details, Please Visit:**

<https://www.reuters.com/business/energy/limetree-bay-refinery-files-chapter-11-court-filing-2021-07-12/>



### Inform within 30 minutes of NCLT's approval of Resolution Plan: Stock Exchanges to Corporate Debtors (CDs)

Stock Exchanges have directed the listed companies undergoing CIRP to provide them the information within 30 minutes of the order of NCLT on approval of the Resolution Plan. Presently, the companies are required to furnish this information after availing the written order.

"Companies generally hold on to the information and do not make any/timely disclosure to the stock exchanges until receipt of a written copy of the order. By this time, the information may be available to a select group of people and may create information asymmetry and confusion in the market," said a National Stock Exchange statement. Violation of guideline will attract penalties under SEBI's Listing Obligations and Disclosure Requirements, which mandate disclosures at various stages by CDs undergoing CIRP, it added.

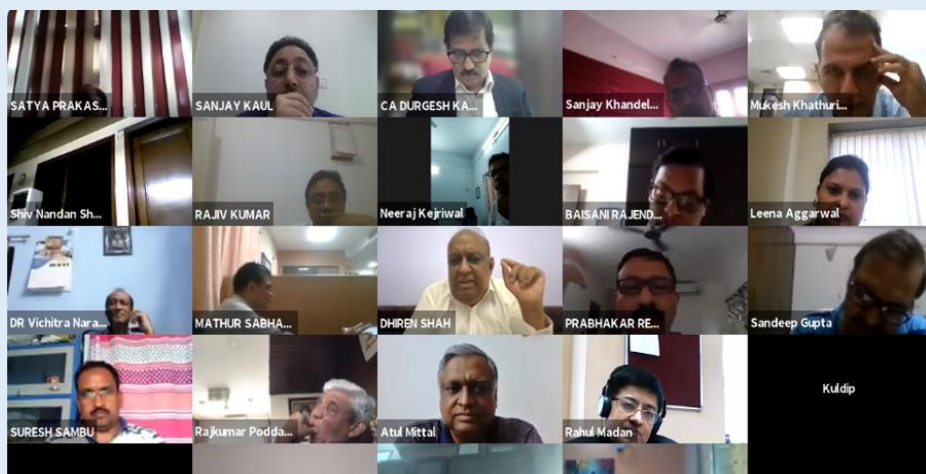
**For More Details, Please Visit:**

<https://www.thehindubusinessline.com/markets/stock-markets/bse-nse-initiate-steps-to-deal-with-info-asymmetry-on-cos-undergoing-insolvency-resolution-process/article35230303.ece>

## Event Photos



*IBBI Chairperson Dr. M. S. Sahoo, addressing the “Roundtable report on Impact of Covid resurgence on Insolvency Regime held on July 13, 2021.*



*Snapshot of the “Draft Liquidation Forms and Record Retention Schedule” held on July 12, 2021.*

### **45th Batch-Pre-Registration Educational Course (PREC) Online**

IIPI will conduct the 45<sup>th</sup> PREC course from 23<sup>rd</sup> July to 29<sup>th</sup> July, 2021 via online mode due to the ensuring COVID pandemic.

In Lieu of the current situation of COVID-19, and as per the IBBI Circular dated 11<sup>th</sup> March 2021, which states that the mandatory 50 Hour training of Pre-registration Educational Course will be to continue online delivery of education till 30<sup>th</sup> September 2021. These online classes will be conducted online. The seats of the program are 44<sup>th</sup> Batch PREC are full.

With effect from 1<sup>st</sup> April 2018, individuals are eligible to register themselves as Insolvency Professionals (IP) only after undergoing through the mandatory 50 hours PreRegistration Educational Course from an Insolvency Professional Agency after his/her enrolment as a Professional Member.

**For More Details, Please Visit:**

[https://www.iiipicai.in/wp-content/uploads/2021/07/Mailer-for-](https://www.iiipicai.in/wp-content/uploads/2021/07/Mailer-for-45th-Batch-Pre-Registration-Educational-Course.pdf)