



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

(Company formed by ICAI under Section 8 of the Companies Act 2013)

IIPI Newsletter

July 30, 2021

Volume 06, Number 30

FCs get 38.8% of their claims under IBC regime

In 5 years under IBC regime, the FCs have received a haircut of ₹ 3.22 lakh crore which is about 61.2% of their admitted claims, shows an analysis of the insolvency data released by the IBBI.

The data further reveals that 4,376 financially strained companies went through the CIRP from December 01, 2016, the date IBC, 2016 came into effect, to March 31, 2021. Out of the 4,376 CIRP cases, 79% are pending for more than 270 days while 348 or 7.9% resulted in the Resolution Plan.

However, OCs received only 13.9% of their total admitted claims.

For More Details, Please Visit:

<https://indianexpress.com/article/business/economy/ibc-regime-corporate-insolvency-resolution-indian-economy-7423869/>



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News Update

IBBI Prescribes Monetary Penalty for Non-Compliances by IPs

Insolvency and Bankruptcy Board of India (IBBI) has prescribed maximum and minimum monetary penalties for 'minor non-compliances' by Insolvency Professionals (IPs) while discharging their responsibilities under the IBC.

"IP agencies will have the flexibility to impose a graduated system of penalties, where minor non-compliances will result in monetary fines, and major violations will result in expulsion from the agency," clarified IBBI in a circular dated July 28, 2021. Though this circular, IBBI has specified penalties for 14 specified breaches, including any violation of the charter of the concerned Insolvency Professional Agency.

The minimum amount of penalty prescribed in the circular will either be Rs. 50,000/- or Rs. 100,000/- depending on case to case. Though this provision, IBBI aims to ensure 'objectivity and uniformity' in disciplinary actions against IPs across IPAs. The breaches such as accepting an assignment having conflict of interests with the stakeholders, failure to comply with directions issued by NCLT/NCLAT, failure to appoint Registered Valuers, failure to reject Resolution Plan from ineligible applicants, failure to make public announcements in the manner provided in the relevant Regulations, outsources his duties and obligations, Fails to take action in respect of Preferential etc. will attract maximum penalties.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/legalframework/c3d5d1bd7b451572b4dea0cfd7bcba3d.pdf>

News Roundup

Supreme Court dismissed PIL seeking to prohibit NCLT from acting as Appellate Authority

The petitioner demanded the SC to declare that the matters decided by the SC should be considered as fundamental rule by NCLTs. Besides, the SC was also urged to issue directions to NCLTs not to act as an appellate authority to the decisions of the top court and find flaws to circumvent the "rule of law" laid down.

Justifying the invocation of Article 32, the petitioner submitted that the NCLT has misinterpreted the judgments of the SC. However, the court did not agree with the argument. "It is not necessary for this court to return any finding on the question sought to be raised in the abstract without any live challenge to an order of the NCLT. In any event there are appellate remedies available under the IBC," said the judgement delivered by Justices D. Y. Chandrachud and M. R. Shah.

For More Details, Please Visit:

<https://economictimes.indiatimes.com/news/india/sc-junks-pil-to-declare-that-nclt-cannot-act-as-appellate-authority/articleshow/84703358.cms>

Practice of parties approaching different courts deserves to be 'seriously checked': Gujarat High Court

Coming heavily on parties approaching different courts on issues related to the IBC, the Gujarat High Court observed that such 'malpractices deserve to be seriously checked by enacting some kind of filters where the parties to one lis essentially are restricted to one competent Forum to avoid any such chance of conflicting orders and forum shopping'. "This kind of scattering the litigation in various Forums is the root cause of multiplicity of litigation and amounts to misuse and abuse of process of law," added the HC.

For More Details, Please Visit:

<https://www.livewlaw.in/news-updates/scattering-litigation-multiplicity-litigation-gujarat-high-court-recommends-transfer-winding-up-proceedings-nclt-178382>

US legislators discuss amendments in Bankruptcy Laws to keep away 'Bad Corporates'

Non-debtor Release Prohibition Act of 2021 is aimed at limiting protections for corporates which misuse bankruptcy provisions to avoid their liabilities. The new law may prohibit litigation shields for promoters or insiders of bankrupt companies and limit their freedom to choose judges for conducting bankruptcy process.

For More Details, Please Visit:

<https://www.reuters.com/legal/transactional/bankruptcy-reform-debate-targets-bad-corporate-actors-popular-judges-2021-07-28/>



Provide papers to assess 'pay-outs' for baby powder victims, US panel to Jhonson & Jhonson

The panel is trying to learn how J&J's bankruptcy plans may affect people who have filed litigations alleging its baby powders were carcinogenic.

The pharma faces legal actions from tens of thousands of plaintiffs, including women suffering from ovarian cancer and others with mesothelioma, alleging that its baby powder and other talc products contained asbestos and caused cancer. J&J is reportedly exploring a plan to offload liabilities under USA's bankruptcy law.

For More Details, Please Visit:

<https://www.reuters.com/business/healthcare-pharmaceuticals/us-house-subcommittee-asks-jj-info-baby-powder-bankruptcy-plans-letter-2021-07-28/>

Pegasus maker Israel firm to face liquidation

London-based Novalpina Capital, which bought the NSO Group in 2019, is being dissolved after a dispute between its co-founders, said media reports. Its liquidation leaves the future ownership of NSO unclear, just as the company is grappling with the fallout of a vast electronic espionage scandal.

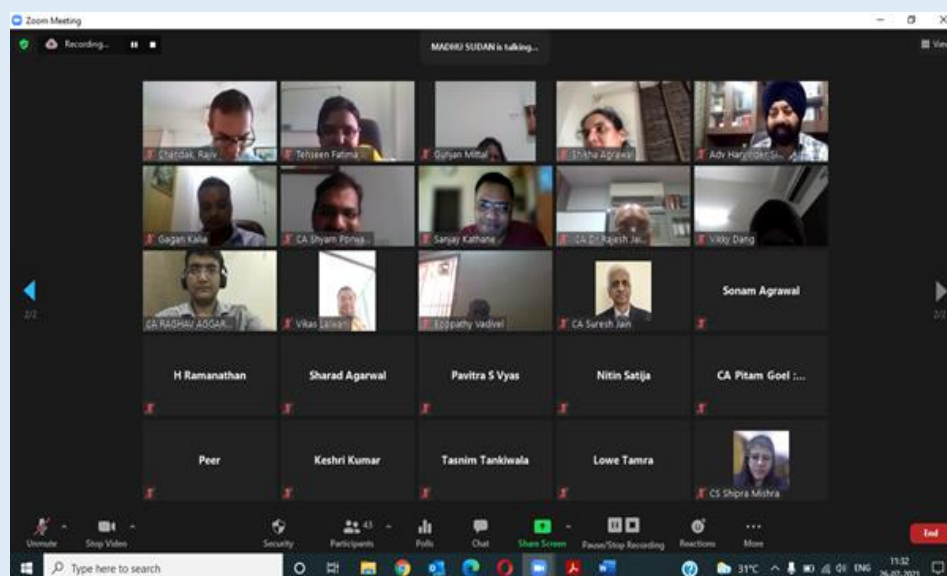
For More Details, Please Visit:

<https://www.ndtv.com/world-news/pegasus-scandal-israeli-spyware-firm-nsos-owner-to-be-liquidated-pegasus-scandal-fallout-2496849>

Event Photos



Glimpses of the Webinar on 'Common Issues during Monitoring and Inspection' organised by IIIPI on 28th July 21.



Glimpses of the 45th Batch of Pre-Registration Educational Course (PREC) Online from 23rd July to 29th July 2021.



IIIPI announces Webinar on 'Office Infrastructure and Usage of Technology by IPs' on 31st July

The Webinar will be conducted from 11 AM to 1 PM on Saturday, 31st July 2021. Mr. Abilash Lal, Insolvency Professional; CA. K. V. Jain, Insolvency Professional and Mr. P Sankar Head- Relationship, NeSL will address the Webinar as Speakers. It will have CPE of 1 hour.

For More Details, Please Visit:

<https://www.iiipcai.in/wp-content/uploads/2021/07/Webinar-31st-July-21-1.pdf>

46th Batch PREC Online

IIIPI jointly with other IPAs will conduct the 46th Pre-Registration Educational Course (PREC) – Online Courses from 08th August to 14th August 2021 via online mode due to the ensuring COVID pandemic.

In case of any clarification please feel free to connect us at Phone No. +91 8178995141 or email at ipprogram@icai.in

For More Details, Please Visit:

<https://www.iiipcai.in/wp-content/uploads/2021/07/46th-PREC-Mailer.pdf>