



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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# IIPI Newsletter

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### UK's 'Voluntary Liquidations (CVLs) in July, 2021 reached pre-pandemic level

According to the official statistics released by the Government of UK, the country recorded 1,007 Creditors' Voluntary Liquidations (CVLs) in July 2021, which is similar to pre-pandemic level in July 2019.

Furthermore, the insolvency data revealed a 13% increase in July 2021 in the number of registered company insolvencies in comparison to July 2020 which is 24% lower than July 2019 i.e., pre-Covid-19 Pandemic level. In absolute terms the number of registered company insolvencies in July 2021 was recorded at 1,094 which was 965 in July 2020 and 1,442 in July 2019.

**For More Details, Please Visit:**

<https://www.gov.uk/government/statistics/monthly-insolvency-statistics-july-2021/commentary-monthly-insolvency->

## News Update

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

### We are working on a Professional Code of Conduct for CoC, Decision on Pre-Pack for large companies soon: Secretary, MCA

Now, it's official. Union Ministry of Corporate Affairs (MCA) is working with the Reserve Bank of India (RBI), Indian Bank's Association (IBA), and Department of Financial Services (DFS) to incorporate a professional Code of Conduct for the Committee of Creditors (CoC) under the Insolvency and Bankruptcy Code (IBC), 2016. This was informed by MCA Secretary Shri Rajesh Verma at the National Conference (Virtual) on '5 Years of IBC, 2016 & Way Forward' organized by Confederation of Indian Insutry (CII) on August 27, 2021.

He also informed that the Central Government will soon consider roll out of the Pre-Pack Insolvency Framework for big corporates which is presently applicable only for MSMEs.

It is pertinent to mention that according to a news published in *The Economic Times* on June 18, the research report of a IIPI constituted Study Group which was submitted to the IBBI on April 21, 2021, was being discussed with various stakeholders to frame a best practice code for the CoC. Besides, the recommendations also include various measures for Timely Approvals to the Resolution Plan, Interim Finance, and availing Data Pertaining to Corporate Debtor and Replacement & Remuneration of IRP/RP, among others. The Research Report titled "COCs' Role in CIRP Under IBC: Recommendations on Best Practices" is also available on IIPI website (<https://www.iiipicai.in/publications/>).

**For More Details, Please Visit:**

<https://www.thehindubusinessline.com/news/code-of-conduct-for-committee-of-creditors-in-the-works-mca-secretary/article36138585.ece>

## News Roundup

### Supreme Court asks Canara Bank to catch big fishes if really concerned about rising NPAs

“You should focus on catching big fish. If you are really concerned about rising NPAs (Non-Performing Assets) of the public sector banks, concentrate on big corporate debtors...not on such small loanees,” said a bench, headed by Justice D. Y. Chandrachud.

The Court dismissed the petition of Canara Bank in which it had challenged a judgement of the Madras High Court restricting it from recovering of a loan amounting ₹ 48.8 lakh, which was given to 1,540 poor people as loans in 1994-95, from a social service society of Tamil Nadu as there was no formal contract or express agreement of recovery from the society in case of failure by the borrowers to repay the loans. Furthermore, the loan was given by the bank under the DIR scheme for financial assistance of low-income group and marginalized sections.

**For More Details, Please Visit:**

<https://www.hindustantimes.com/india-news/go-after-big-fish-if-concerned-about-npas-supreme-court-to-psbs-101630460128299.html>

### Venugopal Dhoot, Videocon Promoter faces personal insolvency proceedings

Mumbai Bench of the NCLT in a virtual hearing on September 02 allowed initiation of a personal insolvency petition against Venugopal Dhoot, the erstwhile promoter of Videocon Group. This case of personal insolvency was filed by the State Bank of India (SBI) against him for personal guarantee. The next date of hearing in the matter has been fixed on September 20. A day before this judgement, the NCLT, on an allegation of financial mismanagement by the Ministry of Corporate Affairs (MCA), had passed an interim order for complete freeze of movable and immovable properties of over 30 persons associated with the eight Videocon Group companies including Dhoot family members, eight directors and other key management personnel.

**For More Details, Please Visit:**

<https://economictimes.indiatimes.com/news/company/corporate-trends/nclt-allows-initiation-of-personal-insolvency-against-venuqopal-dhoot/articleshow/85832511.cms>

### Alibaba developing e-auction platform for insolvency

Chinese e-commerce giant Alibaba has reportedly partnered with Intellectual Property firms Rousse and Inngot in deploying new technological tools to help insolvency practitioners reserve their bid price on ‘Ali Auction’ for businesses undergoing CIRP.

**For More Details, Please Visit:**

<https://www.iam-media.com/finance/alibaba-deploys-tool-provide-price-guidance-patents-going-under-the-hammer>



### IBBI Chairperson calls for an objective framework for assessment of the recovery process of stressed assets

Dr. M S Sahoo, Chairperson, IBBI, has highlighted the need for an improved framework to assess a recovery process under the IBC regime. He was speaking at the National Conference (Virtual) on ‘5 Years of IBC, 2016 & Way Forward’ on Friday, August 27, 2021, organized by CII.

He recognized the transformation caused by the IBC regime and said that a beneficiary of old order may cry foul of insolvency reform and liquidation of the company for vested interests. He also highlighted the importance of timely initiation of CIRP for better recovery.

**For More Details, Please Visit:**

<https://www.moneycontrol.com/news/business/companies/need-objective-framework-for-assessment-of-recovery-process-ibbi-chief-7420051.html>

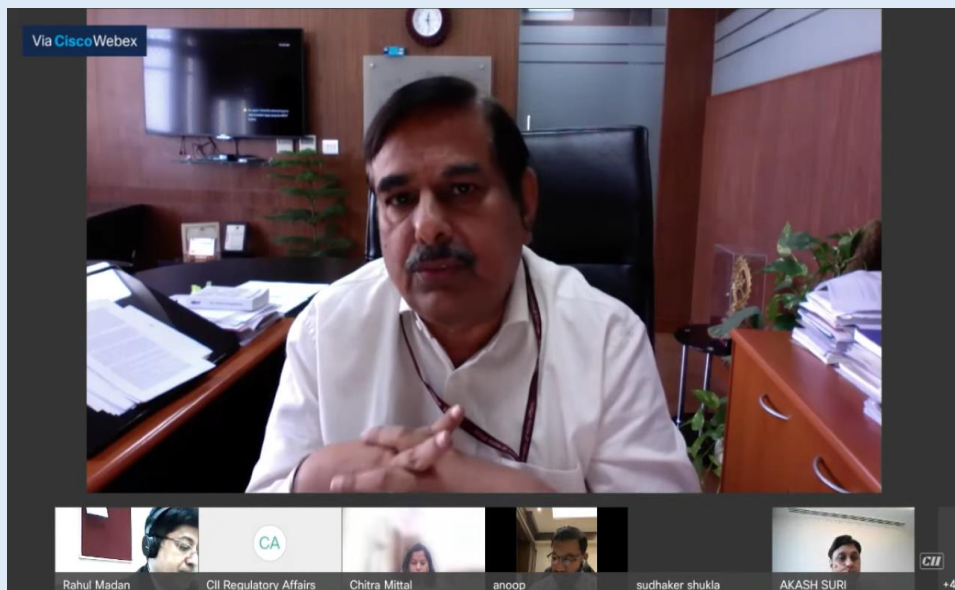
### IBBI Extends validity of online courses till 31<sup>st</sup> Dec. 2021

The Insolvency and Bankruptcy Board of India (IBBI), through a Guideline dated 03<sup>rd</sup> September 2021 has extended the validity of the IBBI (Online Delivery of Educational Course and Continuing Professional Education by Insolvency Professional Agencies and Registered Valuers Organisations) Guidelines, 2020 till 31<sup>st</sup> December 2021. This has been done in the wake of the ensuing Covid-19 pandemic.

**For More Details, Please Visit:**

<https://ibbi.gov.in/uploads/legalframework/2021-09-03-164223-yfas8-af68aec6a9ff864bb2ea1a13ec1ac66f.pdf>

## Event Photographs



Shri Sudhakar Shukla, WTM, IBBI addressing National Conference (Virtual) “*Insolvency and Bankruptcy Code – 5 Years of Bankruptcy Code and Beyond*” on September 2, 2021. The conference was jointly organized by NFCG, IBBI, CII, IIIPI, Grant Thomson and SAM from 2<sup>nd</sup> to 3<sup>rd</sup> September 2021.

## IIIPI jointly with WASME organizing a National Conference on Prepack of MSMEs on 10th September

The National Virtual Conference titled ‘Demystifying Prepack Insolvency Framework for MSMEs’ is being jointly organized by IIIPI and World Association of Small and Medium Enterprises (WASME) from 4 to 6 pm on Friday, September 10, 2021. It has CPE, one hour credit for Insolvency Professionals (IPs) who will attend the conference.

**For More Details, Please Visit:**

<https://www.iiipicai.in/wp-content/uploads/2021/08/Brochure-WASME.pdf>



Snapshot of the 2nd Batch of LIE (Preparatory) Program on 29th August 2021.

## IIIPI announces new batch of ‘Executive Development Program (EDP)’ from 15<sup>th</sup> September

The “Executive Development Program (EDP) - Master Legal Skills, Pleading and Court Process Under IBC” (virtual) scheduled to be organised from 15th to 18th September 2021, will have 14 CPE hours for IPs. The virtual program will be conducted six hours per day. Interested IPs can register by 14th September.

**For More Details, Please Visit:**

<https://www.iiipicai.in/wp-content/uploads/2021/08/EDP-LEGAL-SKILLS.pdf>