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NCLTs, NCLAT should stick to 330-day deadline for resolution plans: SC

The Supreme Court bench led by Justice D. Y. Chandrachud has instructed NCLTs and NCLAT to maintain the sanctity of the 330-day deadline provided by the legislature under the IBC, 2016.

The apex court dismissed an appeal filed by Ebix Singapore against the NCLAT order which refused withdrawal of the company's resolution plan for the bankrupt Educomp Solutions. NCLAT had quashed NCLT's order which had allowed Ebix Singapore to withdraw its resolution plan, as the CoC led by the SBI had already given their approval.

For More Details, Please Visit:

<https://www.timesnownews.com/business-economy/economy/article/wont-allow-ibc-to-fail-due-to-long-delays-or-depreciation-of-assets-of-corporate-debtor-sc/811482>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

Moratorium under the IBC is only applicable to Corporate Debtors and not promoters : Supreme Court

The Supreme Court (SC) of India on September 17, 2021 revisited the provisions of the Insolvency and Bankruptcy Code (IBC) regarding initiation of proceedings during moratorium under Section 14. The Apex Court held that the provisions for initiation of fresh proceedings or for withdrawal of existing ones do not protect the promoters of the stressed company but only the CD.

The judgement was delivered by a bench of Justices DY Chandrachud, Vikram Nath and Hima Kohli allowing the home buyers to move against the promoters of the first respondent CD (Today Homes and Infrastructure Pvt Ltd), even though a moratorium was in effect due to ongoing CIRP. The said home buyers had invested in a Group Housing Project in Gurugram which was being developed by the respondent but it was later abandoned. The home buyers contended that as per their agreement with the realty firm, the possession of the apartments was to be delivered within a period of thirty-six months, which in almost all cases was to be in 2014.

The NCDRC allowed this claim and directed refund of the principal amount to the petitioners, following which the CD approached the Delhi High Court claiming protection under section 14 of the IBC. The High Court on March 27, 2019 directed that no coercive steps shall be taken against the Managing Director of the company in terms of the order passed by the NCDRC. This matter then reached SC.

For More Details, Please Visit:

https://www.business-standard.com/article/companies/moratorium-under-ibc-applies-only-to-corporate-debtor-not-to-promoters-sc-121091601418_1.html

News Roundup

A Resolution Plan cannot be altered or withdrawn once it has been presented to the NCLT: SC

The Supreme Court has ruled that CoC-approved Resolution Plan presented to the NCLT cannot be changed or withdrawn because it would create a new tier of negotiations.

“The legislative objective of the Act cannot be overruled by the Court to yield conclusions that have grave economic repercussions and threaten the IBC's survival” said a bench of Justices DY Chandrachud and M R Shah September 13, 2021. The top court said that a submitted Resolution Plan is binding and irrevocable as between the CoC and the successful Resolution applicant in terms of the provisions of the IBC and the CIRP Regulations. It also cited a recent report of the Parliamentary standing Committee on Finance which stated that 71 percent cases are pending for more than 180 days before NCLT.

For More Details, Please Visit:

<https://www.cnbtv18.com/business/resolution-plan-once-submitted-before-nclt-under-ibc-cant-be-modified-or-withdrawn-supreme-court-10720511.htm>

NCLT ordered freezing & attachment of assets of erstwhile promoters of Metalyst Forgings

The NCLT Mumbai bench on September 16 ordered the Central Depository Services Ltd (CDSL) and the National Equities Depository Ltd (NSDL) to freeze any securities own by the former promoters of Metalyst Forgings including Arvind Dham and Arun Kumar Maiti. Metalyst Forgings is a listed subsidiary of Amtek Auto which was admitted for CIRP in December 2017 in a petition filed by the State Bank of India. The order came after MCA in an application on Wednesday stated that an independent audit had pointed out questionable financial transactions of Rs 3,454 crore by the erstwhile management.

For more details, please visit:

<https://www.outlookindia.com/newsscroll/nclt-directs-freezing-attaching-assets-of-metalyst-forgings-former-promoters/2161411>

Videocon CoC appeals for fresh round of bidding for Resolution Plan

NCLAT will consider CoC's request on September 27 in which it has alleged that low amount offered by the Resolution Applicant resulting in 95% haircut. The Appellate Tribunal on July 19 had stayed the NCLT order of approving the Resolution Plan.

For more details, please visit:

<https://www.outlookindia.com/newsscroll/nclt-directs-freezing-attaching-assets-of-metalyst-forgings-former-promoters/2161411>



IBBI signs MoU with IGNOU to utilize tele-lecturing facility for Gyan Darshan Channel

The IBBI on Thursday entered into a MoU with Indira Gandhi National Open University (IGNOU) with an objective to increase its advocacy initiative through tele-running initiatives to help learners who aim to educate themselves through distance learning.

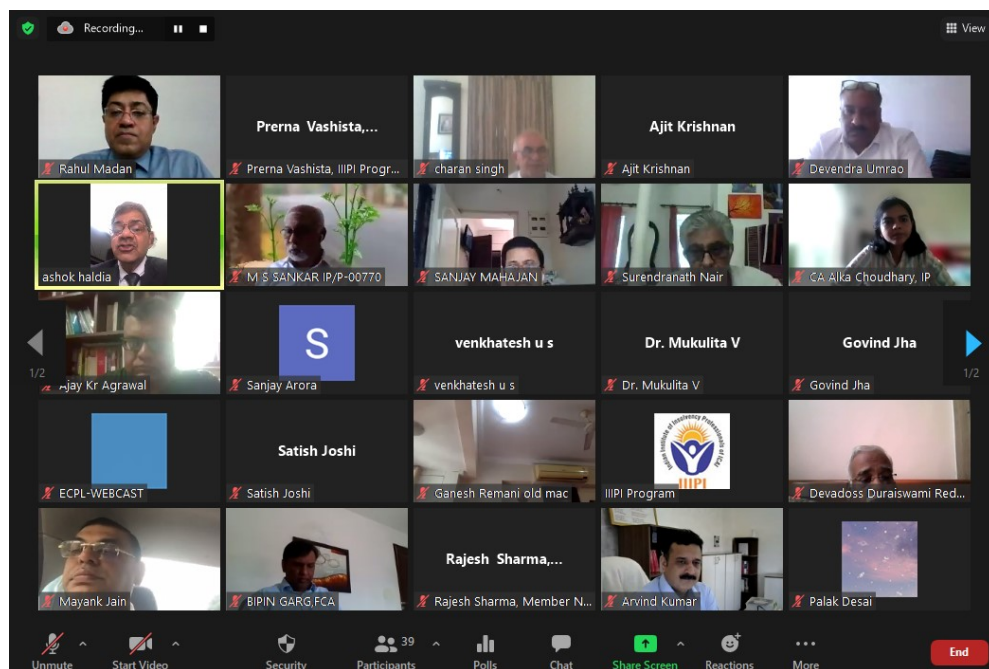
Dr. M S Sahoo, Chairperson, IBBI appraised IGNOU's efforts of emerging as a “front runner people's university extending cost-effective solutions.” He mentioned that IGNOU had seamlessly provided access to sustainable and learner centric quality learning initiatives and awareness programmes through innovative technologies. He emphasized upon the synergies between IBBI's mandate and that of IGNOU, to be realised through this initiative.

This MoU was signed by Shri Santosh Kumar Shukla, Executive Director, IBBI and Shir Banmali Singh, Registrar, IGNOU in the presence of Dr. Sahoo, Prof. Rajendra Prasad Das, Officiating Vice-Chancellor, IGNOU, Shir Sudhaker Shukla, WTM, IBBI, Dr. Srikant Mohapatra, Director, IGNOU among others.

For more details, please visit:

<https://ibbi.gov.in/uploads/press/2021-09-16-210752-n3fcs-216e9647ea10d112c78020757d87be5a.pdf>

Event Photograph



IIPI organized 01st Batch of Executive Development Program on Legal Skills from 15th to 18th September 2021.



Sh. Rajesh Sharma, Member-NCLT during 01st Batch of EDP on Legal Skills held from 15th to 18th September 2021.

Insolvency and Bankruptcy Board of India (IBBI) organised an IP Conclave in Kolkata

IBBI in association with IIPI and other two IPAs organised a Conclave of Insolvency Professionals on September 18, 2021 in Kolkata as part of '75 years of Independence - *Azadi ka Amrit Mahotsav*'. It was organised in hybrid mode with participation of limited number of insolvency professionals (IPs) in person as well as online platform.

Addressing the Conclave Dr. M. S. Sahoo, Chairperson, IBBI stated that the market is watching conduct and performance of IPs, based on dissemination of information about them, by IBBI and IPAs. The Conclave was also addressed by Shri H. C. Suri, Technical Member-NCLT, and Shri Sunil Mehta, CEO-Indian Banks' Association.

CA. Rahul Madan, MD, IIPI presented vote of thanks in the concluding event.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/press/21dbf8558ce1814bb9fcd71feac17252.pdf>