



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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

IIPI Newsletter

December 06, 2021

Volume 06, Number 48



Rajya Sabha MP Suresh Shri Prabhu pitches for law on individual insolvency

Rajya Sabha M.P. & Former Union Minister Shri Suresh Prabhu has pitched strongly for a robust individual insolvency framework under the IBC, 2016 in his address as Chief Guest to an 'Online Session' on Individual Insolvency jointly organized by IBBI, IIPI, and British High Commission on December 03, 2021. Shri Sudhaker Shukla, WTM, IBBI delivered the Keynote Address and Dr. Ashok Haldia, Chairman, IIPI presented Welcome Address to the Session.

Other eminent speakers include Ms. Kanika Kitchlu Connolly, Partner-TLT LLP, Ms. Renuka Sane, Associate Professor, NIPFP, and Mr. Rob Armstrong, MD, Krol, UK

More Details, Please Visit:

<https://www.thehindubusinessline.com/economy/policy/chorus-rises-for-law-on-individual-insolvency/article37850680.ece>

CONTENTS

News Update
News Roundup
Event Photos
Upcoming Events

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

RBI files application for initiation of CIRP of Reliance Capital

The Reserve Bank of India (RBI) on December 02, 2021, referred Reliance Capital Ltd to the Mumbai bench of the National Company Law Tribunal (NCLT) after it superseded its board and seized control. In a press statement, the RBI has informed that it has "filed an application for initiation of corporate insolvency resolution process (CIRP) against Reliance Capital Ltd".

Reliance Capital is the third financial services provider (FSP) to be sent to the tribunal after the government notified the insolvency framework for FSPs on November 15, 2019. Unlike insolvency proceedings for companies from other sectors, an FSP creditor or debtor cannot approach the tribunal, as the same has to be referred by a regulator i.e., RBI. Dewan Housing Finance Corp Ltd (DHFL) and two Srei group firms were similar cases in the past.

The bondholders of Reliance Capital had urged RBI to consider referring the company for insolvency process, citing challenges faced in the asset monetization process and non-cooperation from the company. The trustee for bondholders, Vistra ITCL, constituting 96% of Reliance Capital's debt, put up several company assets, including its insurance ventures, asset reconstruction firm and securities arm on sale.

RBI stated, "As per Rule 5 (b) (i) of the FSP Insolvency Rules, an interim moratorium shall commence on and from the date of filing of the application till its admission or rejection,"

For More Details, Please Visit:

<https://www.livemint.com/companies/news/rbi-refers-reliance-capital-to-insolvency-tribunal-11638453543271.html>

News Roundup

NCLAT rejected Kotak Bank's appeal for 'restructuring' of MSEL's loan to avoid likely 'haircut' under insolvency process

Restructuring of loans is more beneficial to the creditors as they will not have to take a haircut, Kotak Mahindra Bank had submitted. In the eventuality of a resolution plan being implemented or liquidation process being initiated, financial creditors, including Kotak Mahindra Bank, will have to take a haircut, it added. While rejecting the plea, the NCLAT said that the tribunal was aware of the proposal, but the lenders' consortium has not filed any application for deferment of the proceedings before it. Besides, the courts also rejected other arguments of the Kotak Bank such as date of default, and locus standi etc.

For More Details, Please Visit:

<https://zeenews.india.com/companies/nclat-rejects-kotak-banks-plea-to-set-aside-insolvency-proceedings-against-mse-2415222.html>

IBBI issued guidelines for empanelment of IPs to act as IRP, RP, Liquidator, and Bankruptcy Trustee

IBBI as required under the Insolvency and Bankruptcy Code, 2016 (Code) released guidelines on December 01, 2021, to recommend name of Insolvency Professionals (IP) for appointment as Interim Resolution Professional (IRP), Resolution Professional (RP), Liquidator and Bankruptcy Trustee. These rules will be applicable for preparing list of IPs for January 2022.

IBBI will prepare a common Panel of IPs for appointment and share the same with the AA (Hon'ble NCLT and Hon'ble DRT) in accordance with the Guidelines. The expression of interest must be received by the Board in Form A by the specified date. Presently, IBBI prepares list of IPs under 15 zones of the country.

For more details, please visit:

<https://www.ibbi.gov.in/uploads/legalframework/f812a9b138081ae0760bc224a478fdc4.pdf>

SpaceX heading towards bankruptcy, CEO warned employees

In an email, SpaceX CEO Mr. Elon Musk revealed that the company faces a "genuine risk of bankruptcy" if production does not increase to support a high flight rate of the company's new Starship rocket next year. Further he asked his company's employees to work over the weekend on SpaceX's Raptor engine in order to speed up the production.

"As we have dug into the issues following the exiting of prior senior management, they have unfortunately turned out to be far more severe than was reported. There is no way to sugarcoat this." said Musk

For more details, please visit:

https://www.business-standard.com/article/international/elon-musk-warns-employees-of-potential-spacex-bankruptcy-121120100660_1.html



IBBI published new syllabus and details for the LIE Examination-March 2022

The Insolvency and Bankruptcy Board of India 'IBBI' vide its press release dated November 30, 2021, has published the syllabus and details of the Limited Insolvency Examination (Examination) under regulation 3 (3) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 for the examination to be conducted from March 01, 2022.

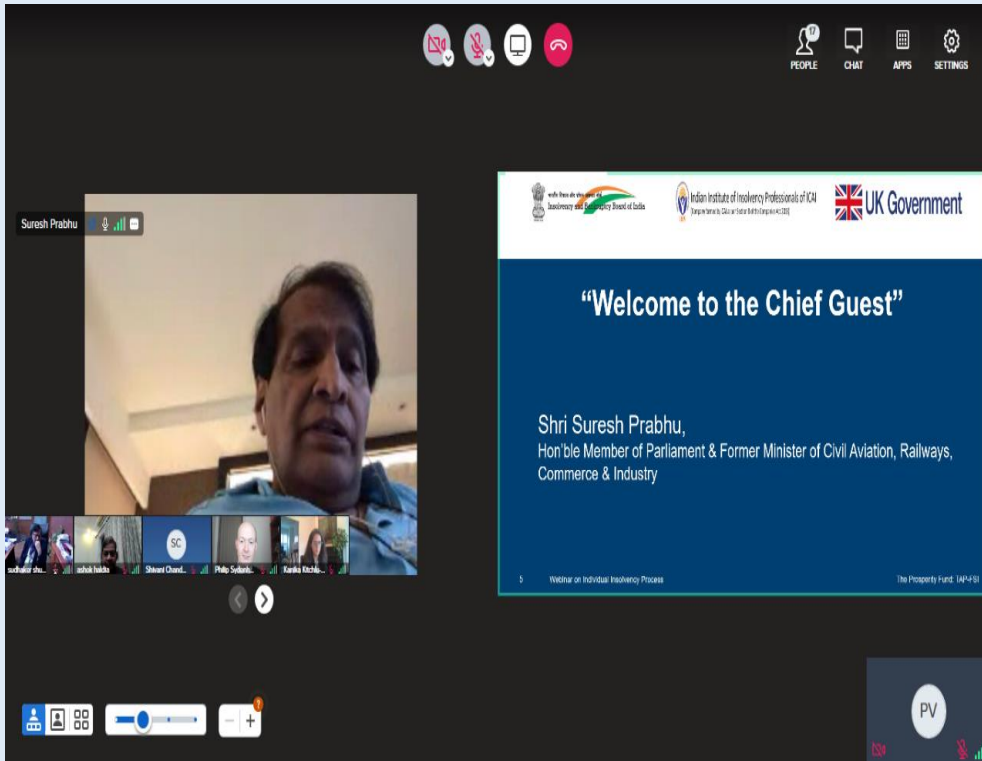
In the new syllabus, maximum 70% weightage has been given to the case studies which includes Case Studies on CIRP and Liquidation, Case Studies on PPIRP, Case Studies on Individual Insolvency and Bankruptcy, Case Studies on Business and General Laws, and Case Studies on Business & General Ethics. The General Laws has been given 07% weightage while IBC, 2016 got 4% weightage and 6% weightage was given to "All Rules, Regulations and Circulars notified under the Code".

The press release includes syllabus of examination including various laws and case studies, details of examination and list of important judgements of NCLT, NCLAT, High Courts, and the Supreme Court.

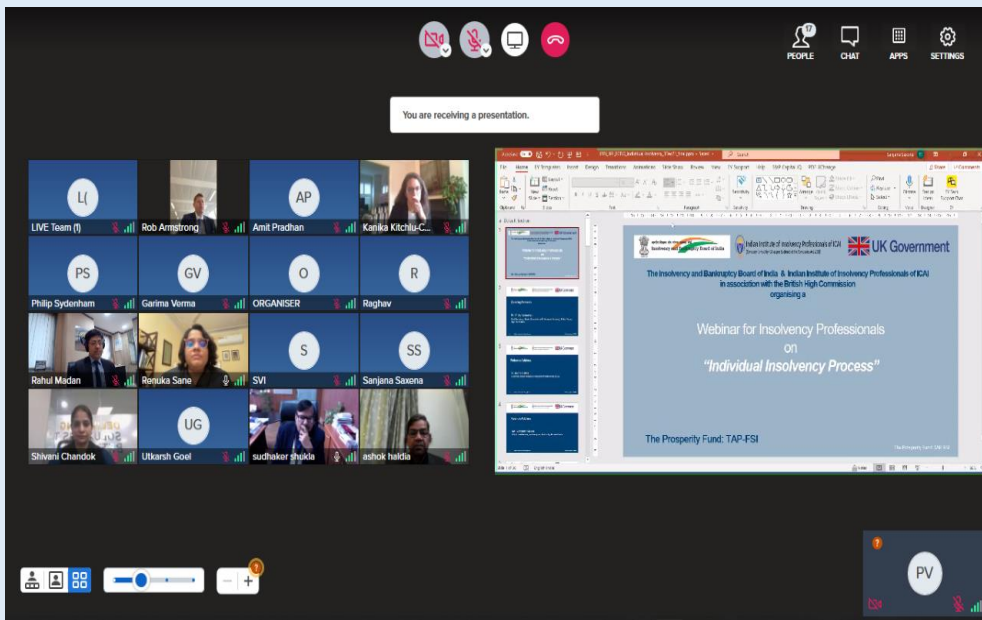
For More Details, Please Visit:

<https://ibbi.gov.in/uploads/press/4a516765a9e826b156d77df5bbec5976.pdf>

Event Photographs



Chief Guest Hon'ble MP Shri Suresh Parbhu addressing Online Seminar on Individual Insolvency Process jointly organized by IBBI, IIIPI and British High Commission on 03rd December 2021



A snapshot of Online Seminar on Individual Insolvency Process jointly organized by IBBI, IIIPI and British High Commission on 03rd December 2021

IIIPI jointly with Coimbatore Branch of SIRC of ICAI organizing 01st Regional Residential Conference (RRC) on IBC from 16th to 18th December 2021

The 01st Regional Residential Conference (RRC) on Insolvency and Bankruptcy Code (IBC), being jointly organized by Coimbatore Branch of SIRC of ICAI and IIIPI on Insolvency and Bankruptcy Code, 2016 from 16th to 18th December 2021.

The Conference will cover various topic of IBC including technical sessions on Personal Guarantors Insolvency, Practical Approach for initiating & managing Pre-packaged Insolvency, and Presentations by experts on case studies among others. Further group discussion on various topics will also be part of the conference.

The faculty will include Ex-members of NCLT, Senior Bankers and IPs. Further, the attending participants will be granted CPE credit of 08 hours and 12 CPE credit for members of ICAI.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2021/11/3-days-Regional-Residential-Conference-Invitation.pdf>