



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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MCA invites public comments on Cross Border Insolvency Framework

The Ministry of Corporate Affairs (MCA) has invited public comments on draft of Cross Border Insolvency Framework latest by 5.30 PM on December 15, 2021. "Suggestion/comments, if any, along with brief justification may be submitted online," said a circular issued by IBBI on Nov. 24, 2021.

"Stakeholders may please note that comments should not be sent separately through email or hard copy and should be sent only through the weblink created for the purpose," it added.

In the draft law to be included under the IBC, the MCA has recommended exclusion of critical financial service providers from the ambit of cross border insolvency provisions.

For More Details, Please Visit:

<https://www.ibbi.gov.in/uploads/whatsnew/3b444655b288bc815526933d75d1aefb.pdf>



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IIPI celebrates 5th Foundation Day on November 25, 2021

The Indian Institute of Insolvency Professionals of ICAI (IIPI) celebrated 5th Foundation Day in hybrid mode on November 25, 2021. On this occasion, a physical event was organized at The Park Hotel which was also telecasted online for the members who joined virtually.

Shri Piyush Goyal, Hon'ble Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution, and Textiles graced the event as Chief Guest. Dr. Navrang Saini, Chairperson, IBBI, and CA. Nihar N. Jambusaria, President ICAI were the Guest of Honors.

Speaking as the Chief Guest, Shri Piyush Goyal said that the IBC, 2016 was a "gamechanger reform" and has been the most successful law in insolvency resolution in the country. Shri Goyal further added that the IBC regime has brought about a marked shift in attitudes of lenders and borrowers, acting as an effective deterrent against unscrupulous borrowers and imparted banks the tool to follow due diligence and confidence about recovery.

In his address, Dr. Navrang Saini highlighted the contribution of IIPI in realizing the objectives of the IBC. CA. Nihar N. Jambusaria, President, ICAI, appreciated the achievements of IIPI and assured full cooperation in future. Dr. Ashok Haldia, Chairperson-IIPI Board, welcomed the guests.

The inaugural session was followed by "Special Address – Contemporary Thoughts" in which IIPI's book on "Case Studies of Successful Resolutions Under IBC" was released and eminent personalities such as Shri Sudhakar Shukla, WTM, IBBI; Shri Swaminathan J., MD, SBI; Shri Paul Bannister, Head-Policy, Insolvency Service, Govt. of UK; Prof. Pryor C. Scott, Campbell University, USA, Shri A. K. Bhattacharya and Executive Director, Business Standard shared their valuable thoughts on contemporary topics. CA. Rahul Madan, MD, IIPI presented the Vote of Thanks.

Team IIPI

Piyush Goyal listed out five Guiding Principles for IPs



Addressing the Insolvency Professionals (IPs) on the 5th Foundation of IIIPI, Union Cabinet Minister Shri Piyush Goyal listed out five guiding principles for IPs – integrity, objectivity, competency, confidentiality, and transparency. He also emphasized that insolvency assignment is not just an assignment but a national service.

“This has a big impact on ‘saving jobs and reviving companies’ and by creating new banking opportunities,” said Goyal. He further added that IIIPI members are serving the nation’s interest by saving businesses and entrepreneurship in the country. Stating that the IIIPI being the largest body of such professionals in the country, he called on developing innovative technologies for IPs. Goyal said the Centre suspended the IBC for a year – from March 2020 till March 2021 — in view of the coronavirus disease (Covid-19) pandemic. “This helped India bounce back much faster. The economy is doing well and five years down the line the outlook looks very, very bright,” he added.

Shri Goyal said that the IBC has brought about a marked shift in attitudes of lenders and borrowers, acting as an effective deterrent against unscrupulous borrowers and imparted banks the tool to follow due diligence and confidence about recovery. Commenting on suspension of IBC from March 2020 to March 2021, due to Covid-19 pandemic, he said, “This helped India bounce back much faster. The economy is doing well and five years down the line the outlook looks very, very bright,”.

For more details, please visit:

<https://www.hindustantimes.com/india-news/piyush-goyals-calls-insolvency-and-bankruptcy-code-gamechanger-reform-101637853120828.html>

A party can be restrained from terminating the contract only if it is central to the success of the CIRP: SC

In this case, *TATA Consultancy Services Limited Vs. RP of SK Wheels Private Limited*, the Corporate Debtor instituted a miscellaneous application before the NCLT under Section 60(5)(c) of the IBC for quashing of a contract termination notice.

The SC differentiated the present case from *Gujarat Urja Vikas Nigam Ltd. Vs. Amit Gupta (2021)* and stated that the residuary jurisdiction of the NCLT cannot be invoked to adjudicate contractual dispute if the termination of a contract is based on grounds unrelated to the insolvency of the Corporate Debtor.

"The NCLT does not have any residuary jurisdiction to entertain the present contractual dispute which has arisen dehors the insolvency of the Corporate Debtor. In the absence of jurisdiction over the dispute, the NCLT could not have imposed an ad-interim stay on the termination notice. The NCLAT has incorrectly upheld the interim order of the NCLT.", the bench said.

For More Details, Please Visit:

<https://www.livelaw.in/top-stories/supreme-court-nclt-contractual-dispute-corporate-debtor-ibc-186146>

RPs are responsible for implementing best practices and research inputs on insolvency process: Dr. Navrang Saini



Addressing the Inaugural Session of IIIPI's 5th Foundation Day, Dr. Navrang Saini, Chairperson, IBBI appreciated the initiatives of IIIPI for research and publications on various topics related to the IBC ecosystem.

He highlighted the ever-evolving nature of Insolvency law in country and impressed upon the need for continuous capacity building of professionals and stakeholders. Dr. Saini suggested that the IIIPI should bring out research-based publications on CIRP assignment which were completed in prescribed timelines and also those which were delayed due to various reasons. He further emphasized that the timeline-based research publications will be very helpful for the Resolution Professionals (RPs) in planning their assignments by following best practices and avoiding mistakes. "This will go a long way in ensuring timely completion of CIRP assignments because IRPs/RPs are responsible for implementing the best practices and research inputs related to insolvency process," said Dr. Saini.

Expressing concerns on delays in insolvency process, Dr. Saini underlined that these delays are against the interest of all the stakeholders because it leads to value depreciation. He asked the IPs in their capacity as IRP/RP to ensure that CIRP assignments are completed in the timeframe prescribed under the IBC and subsequent IBBI guidelines.

Team IIIPI

IPs do not need to provide "Identification Number" for seeking identification details of stakeholders: IBBI

The Insolvency and Bankruptcy Board of India (IBBI) through a circular dated November 24, 2021 has omitted the requirement of "Identification Number" from the Formats for filing of list of creditors under clause (ca) of sub-regulation (2) of regulation 13 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and : Filing of list of stakeholders under clause (d) of sub-regulation (5) of regulation 31 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

"It has come to notice that in few instances, the details such as Aadhaar, PAN card, etc., are being filled therein. Such information being sensitive personal information is prone to misuse and not to be revealed on public platforms," said the circulars issued for amendments in the above-mentioned formats provided for CIRP and Liquidation. "To address this problem column "Identification No." has been removed from the format

For More Details, Please Visit:

<https://www.livelaw.in/top-stories/supreme-court-nclt-contractual-dispute-corporate-debtor-ibc-186146>

<https://www.ibbi.gov.in/uploads/legalframwork/3ab0d547d310b77cb5716f57f45f1e9d.pdf>

Let's resolve to make this profession meaningful: CA. Nihar N. Jambusaria



CA. Nihar N. Jambusaria, President, The Institute of Chartered Accountants of India (ICAI) congratulated professional members of IIPI and urged them to be mindful of public interest and ethical conduct. He also gave a call to make the insolvency profession meaningful and holistic.

Shri Jambusaria appreciated the role of IIPI as the largest Insolvency Professional Agency (IPA) under the IBC ecosystem. He proudly mentioned that Chartered Accountants, members of ICAI, constitute about 90% IPs in India. “The professional members of IIPI of ICAI constitute about 63% of total IPs in India and executed about 75% of CIRP assignments under the IBC,” said Shri Jambusaria.

“In the past five years, the IBC has matured to deliver the objectives,” said CA. Nihar N. Jambusaria. In the next five years, this will become more holistic. “Let’s resolve to make this profession meaningful. It will fetch desired results,” he added. Shri Jambusaria also informed that the Ministry of Corporate Affairs (MCA) has accepted the proposal of the ICAI for multi-disciplinary partnerships which involves Chartered Accountants, Company Secretaries, ICWA, and IPs. “Only the Bar Council of India did not allow for multi-disciplinary partnerships. The efforts of being made to convince the Bar Council of India to allow multi-disciplinary partnerships,” he added.

Team-IIPI

50th Batch of PREC Course (online) being organized from 3rd to 9th December 2021

The 50th Batch of Pre-Registrational Education Course (PREC) is being jointly organized by IIPI and two other IPAs from 3rd to 9th December 2021.

In Lieu of the current situation of COVID-19, and as per the IBBI Guidelines dated 03rd September 2021, which states that the mandatory 50-hour training of Pre-registration Educational Course will be to continue online delivery of education till 31st December 2021. These online classes will be conducted online.

The Pre-Registration Educational Course will be conducted by expert faculties who would share their varied advice and experience. The Course will enhance the knowledge base; sharpen the management skills with efficiency in advocacy, code of conduct and handling insolvency effectively.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2021/11/Mailer-for-50th-Batch-PREC.pdf>

Photo Gallery – 05th Foundation Day of IIIPI



Dr Ashok Haldia, Chairman IIIPI highlighted role of IIIPI and challenges it has for preparing the profession to change the dimensions of IBC. He added that IPs are at the centre of IBC and that the profession is conscious of transparency and fairness during IBC process, expected from them.



Shri Sudhaker Shukla, WTM, IBBI exhorted participants to prepare in advance for forthcoming frameworks on individual and cross-border Insolvency in India..

Photo Gallery – 05th Foundation Day of IIIPI



Shri J. Swaminathan, MD (SARG), State Bank of India extolled insolvency professionals for serving a noble cause with potential to impact industries, corporate and human lives positively.



Prof. Pryor C. Scott, Campbell University, USA presented a comparative analysis of the insolvency and bankruptcy framework in India and USA. He exhorted the IPs to follow the best practices to make it a success.

Photo Gallery – 05th Foundation Day of IIIPI



Shri Paul Bannister, Policy Head, Insolvency Service, Govt. of UK deliberating on impact of covid pandemic on global economies, encouraged insolvency professionals and stakeholders for being proactive and technologically focused.



Shri A K Bhattacharya, Executive Director, Business Standard shared independent perspectives on insolvency profession and hailed the success of IBC compared to previous regimes.

Photo Gallery – 05th Foundation Day of IIIPI



CA. Rahul Madan, MD, IIIPI presented the vote of thanks.



A snap of the physical event on 5th Foundation Day of IIIPI on 25th November 2021 at Hotel The Park, New Delhi.