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IBBI amends IBBI (Liquidation Process) Regulations 2016

IBBI, in exercise of the powers conferred by clause (t) of sub-section (1) of Section 196 read with Section 240 of the IBC, 2016 has issued notification IBBI (Liquidation Process) (Amendment) Regulations, 2022 on April 28. Through this amendment, explanations have been added in the Regulation 2 A, 21A, 31A, and Regulation 44.

The 'Explanation' inserted in the first three Regulations read "It is hereby clarified that the requirements of this regulation shall apply to the liquidation processes commencing on or after the date of the commencement of the IBBI (Liquidation Process) (Amendment) Regulations, 2019."

For More Details, Please Visit:

<https://www.ibbi.gov.in/uploads/legalframework/9f3bdae986856f61c97388346623f015.pdf>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

Cross Border Insolvency Resolution Framework will be a landmark step to redefine India's business and economic relations with the rest of the world: Shri Rao Inderjit Singh, Hon'ble Union Minister

Shri Rao Inderjit Singh, the Hon'ble Minister of State for Statistics and Programme Implementation (Independent Charge), Planning (Independent Charge) and Corporate Affairs, has praised the significant contribution of the IBC in reducing the NPAs of the banking industry and promoting entrepreneurship in Indian economy.

"IBC has assumed larger significance post the COVID - 19 pandemic and has been instrumental in saving both lives and livelihoods," said Shri Singh in his inaugural address to the International Conference on April 30 jointly organized by IBBI and IIMA. "The proposed Cross Border Insolvency Resolution Framework will be a landmark step to redefine India's business and economic relations with the rest of the world," he added. Shri Singh also highlighted the successful journey of the IBC by establishing a framework and effective ecosystem for insolvency resolution in the economy. The minister lauded the scintillating contributions of Judiciary, Government agencies, Regulators, and stakeholders of the IBC ecosystem in swift and effective implementation of the Code.

On this occasion Shri Rajesh Verma, Secretary, Ministry of Corporate Affairs, M. Rajeshwar Rao, Deputy Governor, RBI, Shri Ravi Mital, Chairperson, IBBI, Prof. Errol D' Souza, Director, IIMA were also present. Besides, several eminent personalities and researchers of national and international repute participated in the conference.

For More Details, Please Visit:

<https://indianexpress.com/article/cities/ahmedabad/international-conference-on-insolvency-bankruptcy-minister-says-ibc-provided-effective-ecosystem-for-insolvency-resolution-7896864/>

News Roundup

Conduct a SWOT analysis to investigate IBC's strengths and weaknesses: Secretary MCA

Shri Rajesh Verma, Secretary of the Ministry of Corporate Affairs (MCA) has said that there is presently no framework to track the outcome of insolvency and bankruptcy regime. "It is crucial to continue to study the impact of the insolvency framework created by IBC and conduct a SWOT analysis to investigate (its) strengths and weaknesses," said Shri Verma addressing an international conference organized by IBBI and IMA. "It is important that we have a rigorous and evidence-based research to public policy," he added. He also informed that the MCA, in a month or two, will examine on how to encourage resolution more than liquidation.

For More Details, Please Visit:

<https://economictimes.indiatimes.com/news/economy/policy/need-framework-to-study-impact-of-insolvency-law-corporate-affairs-secretary-rajesh-verma/articleshow/91202894.cms>

RP is not entitled for any professional fees during the period of stay on CIRP: NCLAT

In this matter, CIRP of the CD was initiated on March 03, 2018. Subsequently, the CoC was constituted. However, the Supreme Court through an order on September 02, 2019, set aside the insolvency process. NCLT Mumbai approved the bill of the RP amounting ~ ₹30 lakhs which was challenged by the Indusland Bank in NCLAT. The bank contended that the RP was not entitled for fee during pendency of the case while the RP argued that he incurred expenditure during this period as well. The NCLAT observed that the RP was not entitled for any fee from the date the Supreme Court admitted the case to the date of final judgement setting aside the CIRP.

For More Details, Please Visit:

<https://www.livelaw.in/news-updates/section-61-of-the-insolvency-and-bankruptcy-code-nclat-nclt-mumbai-resolution-professional-insolvency-proceedings-corporate-debtor-197813>

German Tennis Champion Becker Jailed for over two years in UK Bankruptcy Case

Boris Becker, the 54-year-old six-times Grand Slam champion was found guilty of transferring money to his ex-wife Barbara and estranged wife Sharlely after his 2017 bankruptcy. He was jailed for two years and six months by a London court on April 29, for hiding hundreds of thousands of pounds of assets after he was declared bankrupt. He was previously convicted of tax evasion in Germany in 2002, for which he received a suspended prison sentence.

For More Details, Please Visit:

<https://thewire.in/world/former-tennis-champion-becker-jailed-in-uk-bankruptcy-case>



Provisions of IBC are essentially intended to bring the CD to its feet and are not of money recovery proceedings as such: Supreme Court

Rejecting the appeal of a Financial Creditor against the Corporate Debtor (CD), the Supreme Court has said that the intent of the appellant had only been to invoke the provisions of the IBC so as to enforce recovery against the CD. The court emphasized that time and again, it has been expressed and explained that the intent of the Code is essentially to bring CD on its feet and not recover the debt.

In this case, the account of the *Girnar Fibres Ltd.* (Girnar), the Corporate Debtor was declared NPA by the State Bank of India on February 28, 2002. Thereafter it was declared sick by BIFR under SICA Act 1986. Subsequently, debt of Girnar was assigned to *Invest Asset Securitization and Reconstruction Pvt. Ltd.* (Invest Asset) by SBI on September 22, 2011, and the reference filed by Girnar was dismissed by BIFR on May 04, 2016. Thereafter, Invest Asset filed the Section 7 application against Girnar on October 01, 2018, which was dismissed by NCLAT on the ground of limitation.

For More Details, Please Visit:

<https://www.livelaw.in/news-updates/supreme-court-insolvency-and-bankruptcy-code-nclat-money-recovery-proceedings-invest-asset-securitisation-and-reconstruction-pvt-ltd-state-bank-of-india-bifr-girnar-fibres-ltd-girnar-npa-197751>

Event Photograph



IIPI organizing Webinar on 'Case Study on Ruchi Soya Industries Ltd.'

The conference will be addressed by CA. Shailendra Ajmera, Insolvency Professional who has been Resolution Professional (RP) of Ruchi Soya Industries Ltd. and CA. Pulkit Gupta, Insolvency Professional. The two-hour program will start at 4 PM on May 05, 2022.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2022/04/Webinar-Flyer-5-May-2022....pdf>



A snapshot of the Webinar on “Corporate & Ancillary Law: Know How of IPs” organized by IIPI on April 28, 2022.