



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

NCLT Approved Resolution Plan for GSA Retail Ltd.

The CIRP Application was filed by the Corporate Applicant - GSA Retail Ltd., under Section 10 of the IBC, 2016 which was admitted by NCLT vide an order dated June 07, 2022. The Resolution Professional received claims amounting ₹136 lakh out of which ₹122 lakh were admitted.

HPK Share Brokers Pvt. Ltd. emerged as the sole bidder for the Corporate Debtor and submitted its Resolution Plan. The Revised Resolution Plan amounting to ₹40.21 lakh was approved by the CoC on March 30, 2023.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/order/bfbf0f9105ad4c9b4de44429c300924f.pdf>



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News Update

**For Internal Circulation Only*
**Knowledge SBU Initiative*

Government tweaks law to exempt Aircraft, Helicopters and Engines from Moratorium under Section 14 (1) of the IBC, 2016

The Notification by the Ministry of Corporate Affairs (MCA) dated October 03, 2023, is reportedly in line to the India's commitments under the 'Cape Town Convention and Protocol-2001' to which India is a signatory.

"The provisions of Sub-Section (1) of Section 14 of the Insolvency and Bankruptcy Code, 2016 shall not apply to transactions, arrangements or agreements, under the [Cape Town] Convention and Protocol, relating to aircraft, aircraft engines, airframes and helicopters," reads the Notification. It reportedly goes beyond India's commitments under the Cape Town Convention under which there is a time limit of 60 days within which a leased aircraft has to be returned to the lessor in case of insolvency.

According to media reports, if implemented retrospectively, the move may impact 'Go First' airlines' CIRP as it has been granted a blanket moratorium by NCLT under the same law i.e., Subsection (1) of Section 14 of the IBC, to shield 'Go Air' from lessors and creditors and also restrained the DGCA from accepting any applications for de-registration of aircraft from any lessors. Go First' had 54 aircraft in its fleet, and lessors of nearly all aircraft had sought de-registration of their assets over pending dues. After the moratorium by NCLT, the lessors have even approached Delhi High Court seeking access to their respective aircraft. Furthermore, due to the moratorium granted to 'Go Air' in May, Global Aviation Leasing Watchdog, the Aviation Working Group has recently reduced India's score on the compliance index from 3.5 to 2.0.

For More Details, Please Visit: <https://www.thehindu.com/news/national/moratorium-under-ibc-to-exempt-aircraft-and-engines-govt-notifies/article67380627.ece>

News Roundup

Ex-Director cannot claim Copy of Resolution Plan after completion of the CIRP: NCLAT

The Court said that the Appellant was not part of the CIRP as he himself had resigned in 2014. Further, the observations of the case of *Association of Aggrieved Workmen of Jet Airways (India) Ltd. vs. Jet Airways (India) Ltd. & Ors.* do not apply to the case as the Operational Creditors who had claimed access to the Resolution Plan after the completion of CIRP were stakeholders in the process but the Appellant in the present case is not a stakeholder. NCLAT was apprised that the CIRP of the CD was started in 2018 and the Appellant was not part of the 'Suspended Board of Directors'. Besides, the Resolution Plan was approved in 2022 but no appeal was filed against it within the limitation period.

For More Details, Please Visit:

<https://www.livelaw.in/ibc-cases/nclat-new-delhi-ex-director-cannot-claim-resolution-plan-when-entire-cirp-process-completed-239596?infinitescroll=1>

India needs to enhance resilience in financial sector by accelerating IBC process, managing NPAs, and providing appropriate Govt. Supervision: OECD

Organization for Economic Co-operation and Development (OECD), the Paris-based group of rich countries, has suggested India to further promote structural reforms in the financial sector by reducing government ownership of banks and insurance companies and liberalize foreign direct investment (FDI) by removing remaining restrictions. In its latest Going for Growth 2023 report, the OECD charted country-specific structural policy priorities to strengthen growth fundamentals and pave the way for successful green and digital transitions. Despite the reduction in non-performing loans and the creation of an Asset Reconstruction Company (Bad Bank), resolution procedures remain slow, said the report.

For More Details, Please Visit:

https://www.business-standard.com/economy/news/oecd-urges-india-to-reduce-govt-ownership-in-banks-and-insurance-companies-123100300941_1.html

Construction companies in Australia are grappling with a significant increase in insolvencies over the past 3 months

According to a report, the escalating costs for materials and insurance have added to the challenges faced by the troubled \$360 billion industry. The recent data released by the Australian Securities and Investments Commission reveal a 38% rise in external administration appointments within the construction sector in the same period last year, which is an indicator of the crisis in this sector. This figure reportedly 255% higher from the 186 appointments made in 2021.

For More Details, Please Visit: <https://www.mpamag.com/au/news/general/construction-insolvencies-spike/461776>



IBBI issued Discussion Paper on Streamlining Voluntary Liquidation Process

Through this Discussion Paper dated October 05, 2023, IBBI has proposed certain amendments in the IBBI (Voluntary Liquidation Process) Regulations, 2017 related to Disclosures by Corporate Person, Voluntary Liquidation of Financial Service Providers (FSP), Withdrawal from Corporate Voluntary Liquidation Account, Sharing Final Report and Form H, and Order of dissolution.

“If the liquidator fails to liquidate the corporate person within stipulated period of 90 days or 270 days as the case may be, he shall hold a meeting of contributories of the corporate person and file within fifteen days after the end of the quarter in which the stipulated period for completion of liquidation has expired, status report to the Board (IBBI) explaining why the liquidation has not been completed and specify, along with reasons, the additional time that shall be required for completing the process,” reads Proposal 2. There are a total of 6 Proposals in the Discussion Paper.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/whatsnew/51d632f60c108ac9731561c8878cc3f8.pdf>

Event Photograph



Limited Insolvency Examination- Preparatory Classroom (Virtual) Program- Sept. & Oct.2023 Batches, organized by IIIPI.

Simplification of Enrolment and Registration Process

- Section 206 - Prohibits any person from rendering services as IP without being enrolled as a member of an IPA and registered with the IBBI.
- Model Bye-Laws Regulations - Enrolment Process | IP Regulations - Registration Process
- Enrolment is a pre-condition for registration.
- For IP Registration: -
 - Same eligibility requirements for enrolment and registration
 - Two Separate Processes involving submission of common information to IPA and Board
 - Duplication for applicants

Amendments

- Unified Application Form for Enrolment and Registration
- Timelines introduced for:
 - processing of application for enrolment by IPA [60 days]
 - payment of non-refundable application fee to the Board after completion of PREC [12 months]
 - verification and recommendation of application for registration by IPA to Board [30 days]
- Reduction in timeline for approval and rejection of application for registration by Board [30 days each]



IIIPI organising Workshop (Physical Mode) on “Preparation & Marketing of IM & Resolution Plan” on Friday, October 20, 2023

The Workshop will be conducted from 3 PM to 6 PM on October 20, 2023, at Indian Habitat Centre, Magnolia Hall, Lodhi Road, New Delhi. Mr. Abhilash Lal, IP and CA Vikram Kumar, IP will be faculties in this program.

The Key Highlights of the program include Preparation & Marketing of IM & Resolution Plan, Reaching out to Prospective RAs, Investment Banking Skills, and Case Study- Role Play. The IPs attending the Workshop will be eligible for CPE 2 hours.

For More Details, Please Visit:
<https://www.iiipicai.in/wp-content/uploads/2023/10/Fyer-20-oct-2023-2.pdf>

IIIPI in Association with IBBI, organized a Webinar on ‘Recent Regulatory Amendments under IBC’ on October 05, 2023.