



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

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IBBI directs Liquidators to share progress report with stakeholders

IBBI through a Circular dated February 22, 2024, regarding 'Enhancing Transparency and Stakeholder Engagement in Liquidation Process' has directed the Liquidator to share the progress reports with the members of the Stakeholders' Consultation Committee (SCC) after receiving a confidential undertaking. Further, the Liquidator shall submit the progress reports under Regulation 15 till the filing of the final report under Regulation 45. Besides, it has also directed the Liquidator to seek suggestions / observations of the members of the SCC while preparing the Preliminary Report under Regulation 13.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/legalframwork/ebdbf10dbd0e11662bd6dbf2b02ca7fe.pdf>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

Large Number of Innovations can be done in preparing Resolution Plans for Real Estate Projects: Ravi Mital, Chairperson, IBBI

Homebuyers are important creditors in real estate projects and there is scope for a number of innovations by resolution professionals (RPs) in preparing resolution plans to serve their interests. These views were expressed by Shri Ravi Mital, Chairperson, Insolvency and Bankruptcy Board of India (IBBI) while addressing a Conference "Balancing Rights of Stakeholders Under IBC" jointly organized by IIPI, IBBI and PHD Chamber of Commerce & Industry (PHDCCI) in New Delhi on Feb. 23, 2024.

"Proper communication with homebuyers is very crucial during insolvency process. If communication improves half of the problem is solved," said Shri Mital. He also suggested some measures for speedy and effective resolution of real estate projects such as allowing the homebuyers to bid for the projects, improving coordination between AR and RP, creating online channels for sharing relevant information with homebuyers, and working in close coordination with the homebuyers.

Speaking on this occasion, Dr. Ashok Haldia, Chairperson-IIPI Board said, "Insolvency Professionals (IPs) handling the cases of homebuyers, besides contributing to the economy, are doing public service as well". He suggested that the RERA should have a dedicated cell to address the issues related to the stressed real estate projects. Shri G. P. Madaan, Chair, NCLT & IBC Committee, PHDCCI highlighted that the recoveries under the IBC should be evaluated in terms of liquidation value of the corporate assets not the claims by the creditors.

For More Details, Please Visit: <https://www.iipicai.in/wp-content/uploads/2024/02/IIPI-Press-Release-Conference-on-Feb-23-2024.pdf>

Hope you find this update helpful. Suggestions if any, may be mailed to iiipi.pub@icai.in

News Roundup

Credible threat of the IBC that a Company may change hands has changed the behaviour of debtors: IBBI

“Thousands of debtors are resolving distress in early stages of distress. They are resolving when default is imminent...making best efforts to avoid consequences of the resolution process,” said IBBI in its Quarterly Newsletter for Oct.-Dec. 2023. As per the data in the IBBI Newsletter, over one-third of the CIRP cases that were withdrawn after admission resulted in full settlement with the creditor who filed the insolvency application. Furthermore, a total of 1,035 applications have been withdrawn under the Insolvency and Bankruptcy Code (IBC) process after admission till December 2023. The data also reveal that more than three-fourths of the CIRP cases withdrawn after admission had claims of less than ₹10 crore.

For More Details, Please Visit:

https://www.business-standard.com/companies/news/ibc-threat-has-changed-creditor-behaviour-says-ibbi-124022000817_1.html

IBBI issued directions and Form to apply for withdrawal of amount from Corporate Liquidation Account

IBBI through a Circular dated February 22, 2024, has provided a direction and Form regarding request by liquidator for withdrawal from Corporate Liquidation Account for onward distribution to the stakeholder under regulation 46 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. "To facilitate the request received from a stakeholder, under sub-regulation (7) of regulation 46, who claims to be entitled to any amount deposited into the Corporate Liquidation Account for withdrawal before the dissolution of the corporate debtor, the liquidator, after due verification, shall apply to the Board in the form as per Annexure, for the release of the amount for onward distribution to such stakeholder," reads the Circular.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/legalframework/d578543c7d3d9447faf0089802820ec2.pdf>

Canada's budget airline Lynx Air filed for bankruptcy protection

According to media reports, Lynx Air is facing financial crisis due to rising operating costs, high fuel prices and increasing airport charges. The company is reportedly planning to shut operations from February 26, 2024. In a media statement, the company has reportedly informed that despite substantial growth in the business, cost reductions and efforts to explore a sale or merger, the challenges facing the business have become ‘too significant to overcome’. Lynx will reportedly seek protection under the Companies' Creditors Arrangement Act, a Canadian Federal Act that allows large corporations to restructure their finances and avoid bankruptcy, while allowing creditors to receive some form of payment for amounts owed to them.

For More Details, Please Visit: <https://www.reuters.com/business/aerospace-defense/canadas-lynx-air-files-bankruptcy-protection-cease-operations-feb-26-2024-02-23/>



IBBI amends Regulations for Project-Wise Resolution in Real Estate Sector

With an objective to streamline the CIRP for Real Estate Sector, IBBI has made crucial amendments in the IBBI (IRPCP) Regulations 2016 w.e.f. February 15, 2024.

As per the notification, a new Regulation 4 D has been inserted to provide for ‘operating separate bank account for each real estate project’. “Where the corporate debtor has any real estate project, the interim resolution professional or the resolution professional, as the case may be, shall operate a separate bank account for each real estate project,” reads Regulation 4 D.

Besides, Regulation 31B has been added regarding “approval of committee for insolvency resolution process costs”. Under the amended dispensation, the RP is mandated to convene a CoC meeting at least once in every thirty days, with a provision to extend the interval between meetings to a maximum of one meeting per quarter, if CoC so decides. In addition to that amendments have been made in Regulations 18 (1); 25 (5) (b); 35; 35 (2); 36; 36 (a); 38 (3) and 40 (2).

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/legalframework/88458173f47fbda03d775370a420f307.pdf>

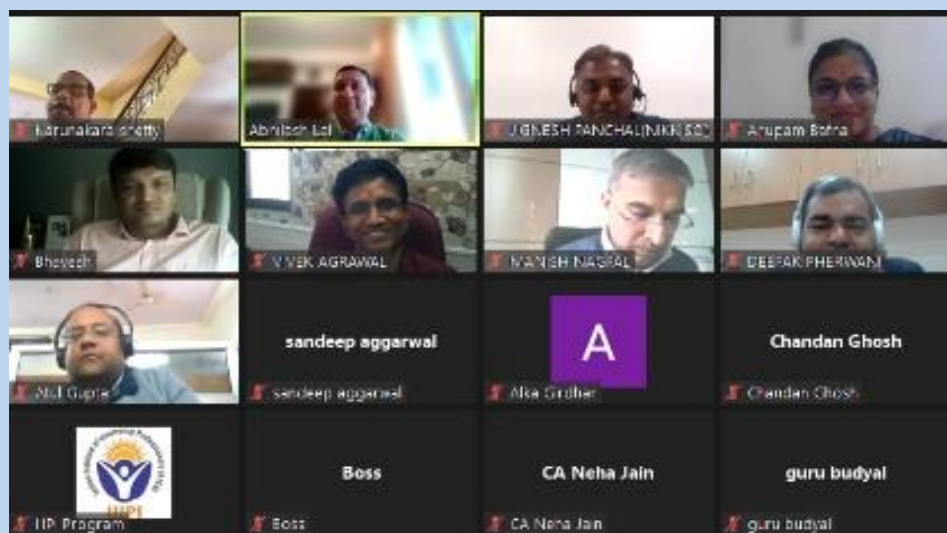
EVENT PHOTOGRAPHS



Inaugural Session of the Conference on "Balancing Rights of Stakeholders Under IBC" jointly organized by IIIPI, IBBI and PHD Chamber of Commerce & Industry (PHDCCI) in New Delhi on February 23, 2024.



Lamp Lighting ceremony by Shri Ravi Mital, Chairperson, IBBI, and other dignitaries at the Inaugural Session of the Conference on "Balancing Rights of Stakeholders Under IBC" jointly organized by IIIPI, IBBI and PHD Chamber of Commerce & Industry (PHDCCI) in New Delhi on February 23, 2024.



Limited Insolvency Examination (LIE) -- Preparatory Classroom (Virtual) Program of IIP conducted from 20th to 24th February 2024.

IIPI's 9th Batch of EDP (For IPs) Mastering "Avoidance/PUFE Forensics" Under IBC (Online) scheduled from 03rd March

The three days 9th Batch of Executive Development Program (For IPs) Mastering "Avoidance/PUFE Forensics" Under IBC (Online) will be conducted from March 05th to 07th March 2024. The total duration of the program will be 18 hours and it will have CPE 12 hours credit.

As the program is based on 'first come first serve basis', the insolvency professionals are advised to register early to avoid last minute hurdles.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2024/02/FLYER-PUFE-EDP-9th-Batch-5th-to-7th-March-2024.pdf>