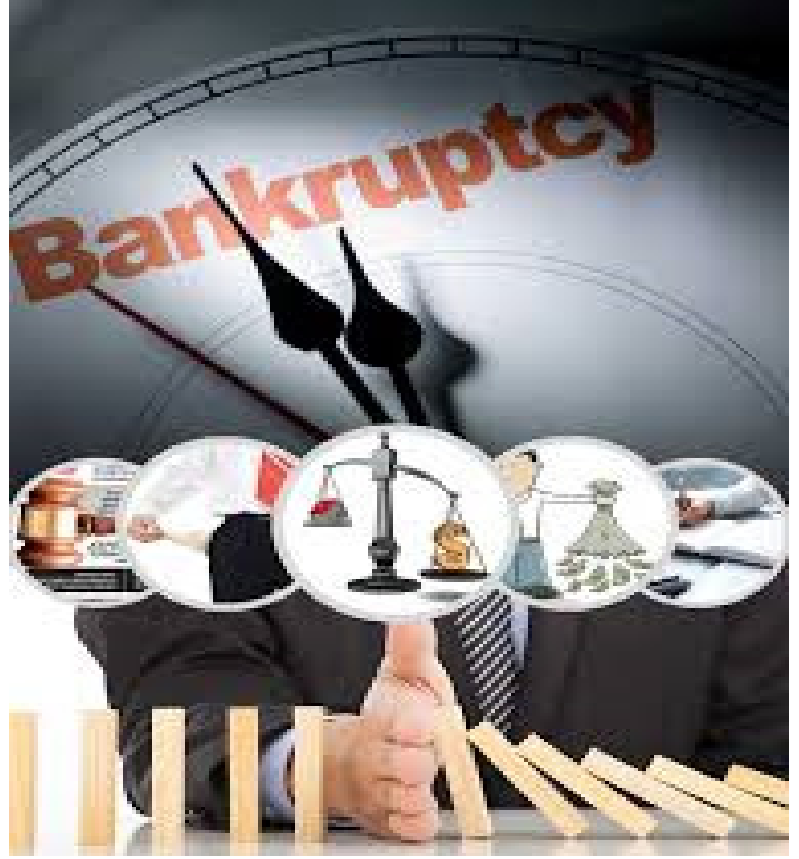


**Insolvency Professional Agency of Institute of Cost
Accountants of India**

Fortnightly Newsletter (4th)

16th – 31st May, 2017



INSOLVENCY PROFESSIONAL AGENCY OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

INSTITUTE OF COST ACCOUNTANTS OF INDIA

CMA BHAWAN, 3, INSTITUTIONAL AREA

4TH FLOOR, LODHI ROAD

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The material and information included in the 'Fortnightly Newsletter' has been prepared with due diligence and care. Adequate emphasis has been placed on collecting and reporting the content that might be most useful for value addition and for the knowledge of the members. Howsoever, IPA of ICAI shall not be held responsible for any loss or damage, resulting from any action taken on the basis of the contents of this Newsletter.

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(Section 8 Company registered under the Companies Act, 2013)

CIN: U74999DL2016NPL308717

4th Floor, CMA Bhawan, 3, Institutional Area,

Lodhi Road, New Delhi - 110003

Phone No: 011-24666112

Email: ipa@icmai.in



**President, The Institute of Cost Accountants of India, and
Chairman, Insolvency Professional Agency of Institute of Cost Accountants of India**
“CMA Bhawan”, 3 Institutional Area,
4th Floor, Lodhi Road, New Delhi-110003

FOREWORD

Dear Professional Colleagues,

*I feel happy that IPA of ICAI is issuing its fourth edition of the “Fortnightly Newsletter” which is a **special issue sharing how to prepare for the Limited Insolvency Examination tips** with the readers who aspire to become Insolvency Professionals and would like to attempt the examination before 30th June 2017 based on 1st edition of Limited Insolvency Examination (LIE).*

The IPA ICAI came up with the idea of issuing this Newsletter as a special issue in order to motivate and facilitate the members, especially those who are enrolled with the Agency under Regulation 7 read with Regulation 9 of IBBI (Insolvency Regulations), 2016 as their registration would expire after 6 months of their registration with the Board. Recently the Insolvency and Bankruptcy Board of India (IBBI) has announced 2nd edition of syllabus for LIE that shall be applicable from 1st July 2017 upto 31st December 2017. The syllabus contents of 2nd edition are broader than 1st edition as it covers Rules/ Regulations notified by MCA/IBBI upto 31st March 2017 and more case laws as may be decided by Supreme Courts/ High Courts/ NCLT/NCLAT etc. and case studies. In view of above, I urge the Insolvency Professionals who registered with us to qualify the examination. A very comprehensive Power Point Presentation on “How to prepare Limited Insolvency Examination- Some Practical Tips” along with other presentations is available on IPA website: www.ipaicmai.in.

This edition of the Newsletter is divided into three modules, namely: (i) Knowledge Bites, giving the tips and guidance on how to prepare for the Limited Insolvency Examination; (ii) Overview of some recent cases admitted/rejected by the NCLT; and (iii) Recent News Updates and Information- about the IBBI, and those relating with the profession of Insolvency and Bankruptcy and also that of the IPA ICAI.

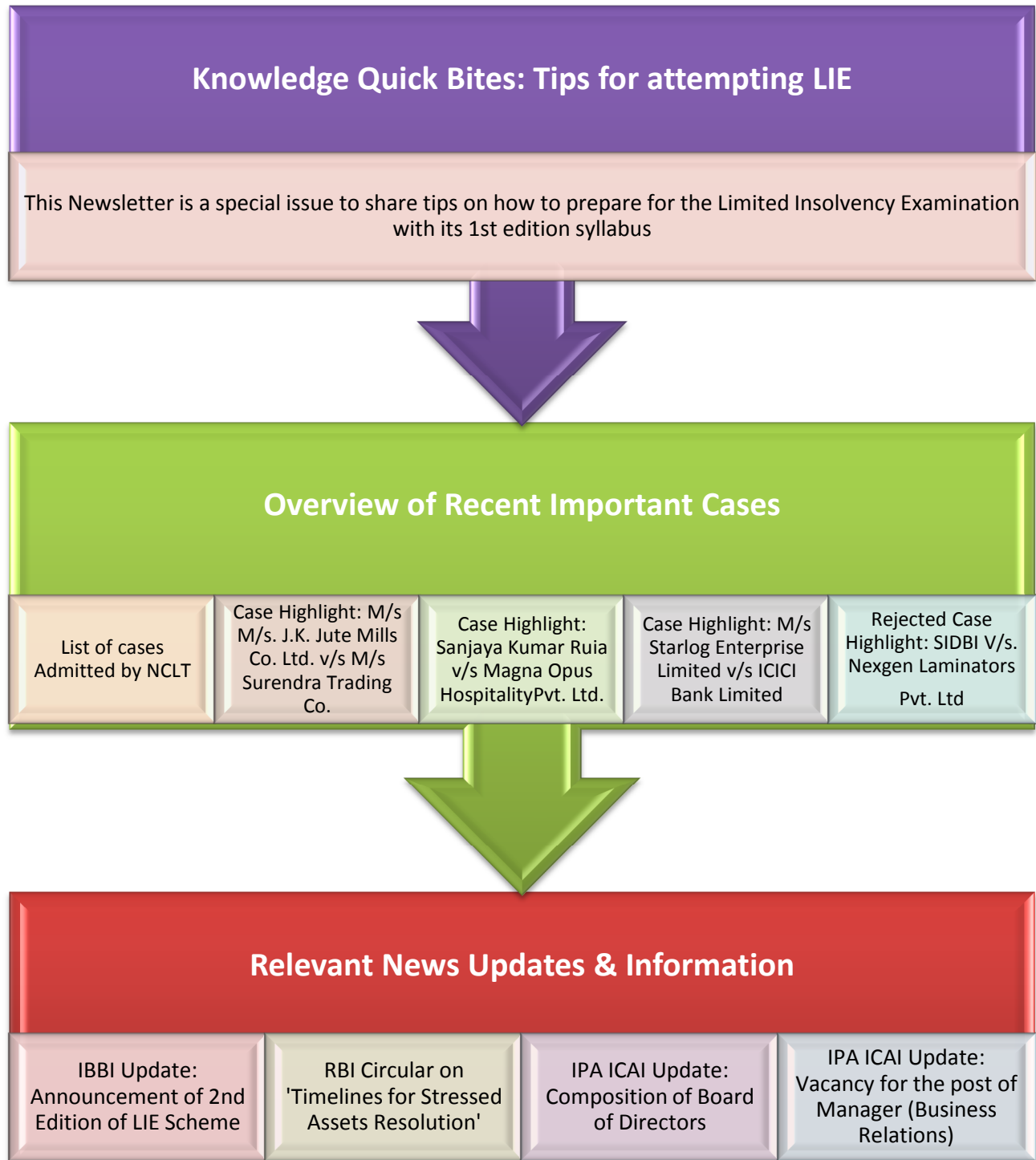
I believe that as with the previous editions, the members will appreciate and find useful the contents of this newsletter as well. The members may also give their suggestions on what other contents they would like the IPA to include in the Newsletter by writing at ipa@icmai.in.

Wish you all the luck for future endeavors.

With warm regards,

(CMA Manas Kumar Thakur)

We welcome the readers to the fourth edition of the Fortnightly Newsletter of the Insolvency Professional Agency of the Institute of Cost Accountants of India. This edition of the Newsletter is arranged in the following format:



Knowledge Quick Bites

In this fourth edition of the Fortnightly Newsletter of the IPA, the focus is on sharing the tips and strategies how to prepare for the Limited Insolvency Examination with the professionals aspiring to take up the examination with its 1st edition syllabus, latest by, June 30, 2017.

1. Examination Pattern:

- The examination is conducted online (computer-based in a proctored environment); with objective multiple choice questions;
- The duration of the examination is two hours;
- A candidate is required to answer 90 questions in 2 hours for a total of 100 marks;
- There is a negative marking of 25% of the marks assigned for the question;
- Passing mark for the examinations is 60%;
- Passing candidates is being awarded a certificate by the Board;
- A candidate is being issued a temporary mark sheet on submission of test paper;
- No workbook or study material will be provided.

2. Exam Preparation Tips

- ✚ Obtain complete clarity regarding the prescribed syllabus and formulate a specific study plan.
- ✚ Keep reading and re-reading the bare acts of the law subjects that have been covered under the syllabus. Make notes if necessary.
- ✚ Solve the sample paper released by the Insolvency and Bankruptcy Board of India in a time bound manner.
- ✚ In the notified syllabus for the Limited insolvency Examination (LIE), maximum weightage (30%) has been given to the Code followed by the Rules and Regulations framed under the Code (25%). So ensure that you are very thorough with the Code as well as the Rules and Regulations.

- ✚ Practice as many questions as possible.
- ✚ While attempting to solve the sample paper released by the Board, try to grasp and understand the pattern of the questions. Read those sections, Regulations and Rules which prescribe specific time period for any acts, and amount of penalty for various offences under Insolvency Process for Corporate Persons, Individual and Partnership Firms.
- ✚ Memorize the minimum amount of defaults under Part-II (CIRP- Rs. 1 lakh- Sec 4) and Part-III (Individual and Partnership- One thousand- Section 78).
- ✚ Know the applicability of Insolvency and Bankruptcy Code 2016 (IBC 2016). As per Section 1 of the IBC 2016, it extends to whole of India. However, Part-III (Individual and Partnership Firms) shall not extend to state of Jammu & Kashmir.
- ✚ Read definitions given in Section 3 and Section 5 (under Part-II-Insolvency Process for Corporate Persons) and understand their intent and keep the same in mind while answering objective type questions.
- ✚ Know numbers of Parts in IBC and Chapters which each one contains.
- ✚ Memorize the maximum amount of default which can be prescribed by Central Government under Part-II (CIRP- Rs. 1 crore-Section 4) and Part-III (Individual and Partnership- Rs. 1 lakh- Section 78).
- ✚ Know who can initiate Corporate Insolvency Process. Most Important Read Sections 7, 8, 9, and 10 and memorize their provisions. Don't forget. Repeat them again and again to retain these provisions in your mind.
- ✚ After memorizing these sections then go to "Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016 notified by IBBI on 30th November 2016. This is very important.
 - See the provisions relating to Eligibility of Resolution Professional;
 - Public Notice (maximum 3 days);
 - Period for submission of claims and period for their verification;
 - Relevant Forms applicable to each class of Creditors (Financial, Operational, Workmen & Employees) - **CIRP Regulations**;
 - Procedure for constitution of Committee of Creditors (Financial or Operational Creditors);
 - Notice Period for convening meetings of Committee of Creditors;
 - Service of Notice by electronic means; Contents of Notice;

- Quorum for meetings;
- Conduct of meetings and participation through Video conferencing;
- Voting Procedure;
- Appointment of Registered Valuers for determining Liquidation Value;
- Contents of Information Memorandum;
- Contents of Resolution Plan, who can submit the Resolution Plan, whether Resolution Applicant attend the meeting and vote thereat.

✚ Then memorize and understand Rules relating to filing of application under these sections. Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016 notified by MCA on 30th November 2016. These Rules are very important.

- Read Rules again and again and retain in your memory;
- Memorize different Forms for filing the application with AA: Form 1 (Sec 7), Form 2 (Written Communication by proposed IRP), Form 3 (sec 8- Demand Notice/Invoice demanding payment), Form 4 (sec 8- Form of Notice with which Invoice to be attached), Form 5 (Sec 9), Form 6 (Sec 10);
- Memorize Rule number when application can be withdrawn by applicants (Rule 8);
- Under what Rule an applicant to propose IRP and obtain written Communication from IRP (Rule 9), understand it is written communication and not written consent;
- Remember till such time Rules of procedure for conduct of proceedings under code are notified, the application for initiating corporate insolvency process is to be filed with NCLT in accordance with Rules 20, 21, 22, 23, 24 and 26 of Part III of National Company Law Tribunal Rules, 2016 (Rule 10);
- Memorize the Application Fee to be paid by different applicants: Rule 10 & Schedule provides for Fee – FC & Corporate Applicant Rs. 25,000/- and OC Rs. 2,000/-.

✚ Time Period of Insolvency Resolution Process both Normal and Fast Track.

✚ Memorize the contents of Moratorium (Section 14).

✚ Appointment of Interim Resolution Professional- IRP and period of his appointment (Section 16).

✚ Memorize the contents of Management of Affairs (Section 17).

✚ When the first meeting of CoC should be held (within 7 days of its constitution).

- ✚ Appointment of Resolution Professional-RP (Section 22) - Either appointment of IRP ratified, if not then some other is appointed. In this case CoC shall file application to AA for appointment of RP.
- ✚ Memorize the duties of IRP (Sec. 18) and RP (Sec. 25) :
 - AA to forward name to IBBI for confirmation. IBBI to confirm within 10 days on receipt of name;
 - Can IRP continue after 30 days, in case of delay of confirmation by IBBI, Answer Yes. AA by order direct the IRP to continue to function as RP until such time IBBI confirms the name of proposed RP; (Sec. 22(5)).
- ✚ Memorize the contents of Committee of Creditors (CoC) (Section 24) with reference to IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016.
- ✚ Memorize what actions of IRP/RP require approval of CoC (Section 28).
- ✚ Memorize the contents of Resolution Plan (Sec 30).
- ✚ Memorize to whom the approved Resolution Plan shall be binding (Sec 31): Corporate Debtor and its employees; members; creditors; guarantor; and other stakeholders involved in the resolution plan.
- ✚ Appeal can be filed by any person aggrieved against the order of Adjudicating Authority (NCLT) within 30 days with National Company Law Appellate Tribunal (NCLAT), which can be extended on sufficient cause not exceeding 15 days (Section 61). Remember Appeal against NCLT order is to NCLAT not to any other authority (IBBI or Court).
- ✚ Remember and memorize that an appeal against an order approving a resolution plan under section 31 may be filed on the following grounds (Section 61(3)):
 - (i) Approved plan is in contravention of the provisions of any law for the time being in force;
 - (ii) There has been material irregularity in exercise of the powers by the resolution professional during the corporate insolvency resolution period;
 - (iii) Debts owed to operational creditors of the corporate debtor have not been provided for in the resolution plan in the manner specified by the Board;
 - (iv) Insolvency resolution process costs have not been provided for repayment in priority to all other debts; or
 - (v) Resolution plan does not comply with any other criteria specified by the Board.

Please remember that an appeal against a liquidation order passed under section 33 may be filed on grounds of material irregularity or fraud committed in relation to such a liquidation order. (Sec. 61(4))

3. Structure of IBC-2016

Part –I	Part-II	Part-III	Part-IV	Part-V
Preliminary	Insolvency Resolution and Liquidation for Corporate Person			
	Chapter-I Preliminary	Chapter-I Preliminary	Chapter-I The Insolvency and Bankruptcy Board of India	
	Chapter-II Corporate Insolvency Resolution Process	Chapter-II Fresh Start Process	Chapter-II Power and Function of the Board	
	Chapter-III Liquidation Process	Chapter-III Insolvency Resolution Process	Chapter-III Insolvency Professional Agencies	
	Chapter-IV Fast Track Corporate Insolvency Resolution Process	Chapter-IV Bankruptcy Order for Individuals and Partnership Firms	Chapter-IV Insolvency Professional	
	Chapter-V Voluntary Liquidation of Corporate Persons	Chapter-V Administration and Distribution of the Estate of the Bankrupt	Chapter-V Information Utilities	
	Chapter-VI Adjudicating Authority for Corporate Persons	Chapter-VI Adjudicating Authority for Individuals and Partnership Firms	Chapter –VI Inspections and Investigation	
	Chapter-VII Offence and Penalties	Chapter-VII Offence and Penalties	Chapter-VII Finance , Accounts & Audit	

Overview of Recent Important Cases

I. List of Cases Admitted By NCLT since last Fortnightly Newsletter

a) CIRP Cases

Sr.No.	Name of Corporate Debtor	Name of Bench	Creditor/ Debtor	Section	Insolvency Professionals	Amount of Default (Rs. in Crore)
1	M/s. DLS Industries Ltd.	Mumbai	Financial Creditor	7	Mr. Dushyant C Dave	4.41
2	M/s. James Hotels Ltd.	Chandigarh	Financial Creditor	7	Mr. Navneet Gupta	52.57
3	M/s. HDO Technologies Ltd.	Mumbai	Financial Creditor	7	Mr. Amit Gupta	162.32
4	M/s. Lohalspat Ltd.	Mumbai	Operational Creditor	8/9	Mr. Amit Gupta	6.79
5	M/s. Suvarna Karnataka Cements Private Ltd.	Bengaluru	Corporate Debtor	10	Mr. Sandeep Kumar Gupta	63.00

II. b) Voluntary Liquidation Cases since last Fortnightly Newsletter

S.No.	Name of Corporate Debtor	Name of Bench	Creditor/ Debtor	Section	Insolvency Professionals	Amount of Default (Rs. in Crore)
1	M/s. IL&FS Capital Advisors Limited	Kolkata	Corporate Debtor	59	Mr. Vinod Kumar Kothari	-
2	M/s. Nilgai Furniture Private Limited	Mumbai	Corporate Debtor	59	Mr. Pradip C. Shah	-
3	M/s. Axiom Managed Solutions Private Limited	New Delhi	Corporate Debtor	59	Mr. Manoj Kulshrestha	-

Case Highlight:

M/s J.K. Jute Mills Co. Ltd. v/s M/s. Surendra Trading Co.

Case Title: M/s. J.K. Jute Mills Co. Ltd. v/s M/s Surendra Trading Co.
(Initiation of corporate insolvency resolution process by Operational Creditor)

NCLT Bench: Allahabad

Relevant Section: Section 7, 9 and 10

Petitioner: M/s Surendra Trading Co. (Operational Creditor)

Respondent: M/s. J.K. Jute Mills Co. Ltd. (Corporate Debtor)

Case Facts:

- **10th February 2017:** The trade creditor M/s. Surendra Trading Co filed an application for initiating an insolvency resolution process against J.K. Jute Mills, a corporate debtor.
- **16 February 2017:** The NCLT directed the applicant to rectify certain technical defects in its application.
- **9 March 2017:** The NCLT vide an order, passed interim directions against the sale or alienation of the debtor's assets.
- *To this, the J.K. Jute Mills filed an appeal against the NCLT's interim order before the NCLAT.*
- **Arguments:**
 - **By J.K. Jute Mills:** If the NCLT does not admit or reject an application within 14 days of its submission as per Section 9 of IBC, it can on no ground pass such an interim order and has no power to grant a stay on the sale of assets. of J.K. Jute Mills. It was also contended that since no prayer was made for the grant of such a stay, the NCLT did not have the power to pass an interim order of status quo.
 - **By Surendra Trading Co. Ltd:** The timeline of 14 days under section 9 of the IBC is merely directory and not mandatory.

NCLAT Ruling:

Relying on judicial precedents on the interpretation of procedural timelines under the Civil Procedure Code, ***the NCLAT held that the time limit of 14-days is directory rather than mandatory, and that the NCLT has inherent powers to extend the 14-day period on a case-to-case basis in the interest of fairness and justice.***

Further, the NCLAT also observed that the NCLT performs both judicial and administrative roles. Under its administrative function, the NCLT's registry verifies whether an application is complete and in proper form. Since this is a time-consuming process, the appellate tribunal observed that the 14-day time period granted to the NCLT to reject or admit an application **cannot be counted from the *'date of filing of the application'*** but has to be counted from the date when such application is ***'listed for admission/order'***.

Case Highlight: Sanjaya Kumar Ruia v/s Magna Opus Hospitality Pvt. Ltd

Case Title: Sanjaya Kumar Ruia v/s Magna Opus Hospitality Pvt. Ltd.
(Initiation of corporate insolvency resolution process by Operational Creditor)

NCLT Bench: Mumbai

Relevant Section: Section 8 & 9

Petitioner: Sanjaya Kumar Ruia (Operational Creditor)

Respondent: M/s. Magna Opus Hospitality Pvt. Ltd. (Corporate Debtor)

Case Facts:

- The Operational Creditor, a Chartered Accountant had provided professional services as well as Advisory services to the Corporate Debtor.
- The Corporate Debtor defaulted in payment of professional services as well as of Advisory service charges to the Operational Creditor
- In his support the petitioner submitted documents that he had audited the accounts of the Debtor Company and also a letter issued by the Debtor Company assigning Advisory Services.

Consideration: Whether the 'Professional Services' shall fall under the definition of 'Operational Debt' as defined u/s 5(21) of the Insolvency and Bankruptcy Code?

NCLT Ruling:

- The term "Services" used in the definition of 5(21) has not been defined under this Insolvency and Bankruptcy Code.
- However the **expression "Services"** as per Black Law Dictionary is "the act of doing something useful for a person or company, usually for a fee". Another meaning as per the Dictionary is, "an intangible commodity in the form of human effort, such as labour, skill or advises". Likewise, **meaning of "Service Charge"** as per the Dictionary is a charge accessed for performing a service.
- **The Tribunal therefore held that a Professional Service provided by a Chartered Accountant definitely fall under the expression "Services" as incorporated in the definitions of "Operational Debt" u/s 5 (21)of the Insolvency and Bankruptcy Code.**
- In the light of documents submitted by the Operational Creditor the Tribunal held that Impugned debt fall within the ambits of Operational Debt hence to adjudicated under the provision of section 8 and section 9 of the code

Case Highlight: M/s Starlog Enterprise Limited v/s ICICI Bank Limited

Case Title: M/s Starlog Enterprise Limited v/s ICICI Bank Limited

NCLT Bench: New Delhi

Relevant Section: Section 7

Petitioner: M/s Starlog Enterprise Ltd. (Corporate Debtor)

Respondent: ICICI Bank Ltd. (Financial Creditor)

Case Facts:

- This application under Section 61 of Insolvency & Bankruptcy Code, 2016 has been preferred by Appellant/Corporate Debtor against ex-parte order dated 17th February 2017 passed by 'adjudicating authority', Mumbai Bench, under Section 7 of the I & B Code
- **Objections:**
 1. The Appellant challenged the impugned order on one of the grounds that the order was in violation of rules of natural justice as the Appellant was not given notice before admitting the case under Section 7 of the I & B Code.
 2. The other ground taken by the Appellant was that the application preferred by Respondent/Financial Creditor under Section 7 was incomplete, misleading and was not bonafide and hence fit to be rejected.
- The aforesaid issue was also decided by the Appellate Tribunal in "**M/s. Innoventive Industries Limited vs ICICI Bank & Anr. in CA (AT) (Insolvency) No. 1 & 2 of 2017**", wherein it was clear that before admitting an application under Section 9 of the I&B Code it is mandatory duty of the 'adjudicating authority' to issue notice. However, in the present case admittedly no notice was issued by the 'adjudicating authority' to the corporate debtor, before admitting the application filed under Section 7 of the I&B Code. For the said reason the judgement order cannot be upheld having passed in violation of principle of natural justice.

Judgement: Considering the facts and circumstances of the case, the Appellate Tribunal imposed a cost of Rs. 50,000/- (Rupees fifty thousand only) on Respondent - Financial Creditor, ICICI Bank - to be paid in favour of Registrar, National Company Law Appellate Tribunal, New Delhi by demand draft within one month towards development of its Library.

Rejected Case Highlight: Mr. Satish Mittal Vs Ozone Builders and Developers Pvt. Ltd

Sr. No.	Name of the Case	Case Status
1.	SIDBI V/s. Nexgen Laminators Pvt. Ltd.	<p>The matter was filed under section 7 of The Insolvency & Bankruptcy Code, 2016 before the Chandigarh Bench of National Company Law Tribunal.</p> <p>This matter was dismissed on the ground that petition was withdrawn by the Petitioner with liberty to pursue the petition for winding up of the company which was pending in High Court of Punjab and Haryana.</p>

Relevant News Updates & Information

1. IBBI Update:

A) IBBI Update: Announcement of 2nd Edition of LIE Scheme

The Insolvency and Bankruptcy Board of India (IBBI) vide its press release dated 23rd May 2017 has released the 2nd edition of its Syllabus, Format and Frequency for the Limited Insolvency Examination which shall be applicable from 1st July, 2017 to 31st December, 2017.

The same is given as under:

Limited Insolvency Examination, July 2017- December 2017

The Board hereby specifies the syllabus, format and frequency Examination” under regulation 3(3) of the Insolvency and Bankruptcy (Insolvency Professionals) Regulations, 2016 applicable for the period 1st July, 2017 to 31st December, 2017, as under:

I. Syllabus for Examination

The syllabus for the Limited“ Insolvency Examination” is as under:

Sl.No	Subject/Topics	Weight (%)
1.	The Insolvency and Bankruptcy Code, 2016	26
2.	Rules and Regulations under the Bankruptcy Code (All Rules and Regulations notified under the Code till 30 th June, 2017)	28
3.	(i) The Companies Act, 2013 <ul style="list-style-type: none">• Chapter III Prospectus and Allotment of Securities• Chapter IV Share Capital and Debentures• Chapter V Acceptance of Deposits by Companies• Chapter VI Registration of Charges• Chapter VII Management and Administration• Chapter IX Accounts of Companies• Chapter XV Compromises, Arrangements and Amalgamations• Chapter XVII Registered Valuers• Chapter XVIII Removal of names of the companies from the register of companies• Chapter XX Winding-up of the companies• Chapter XXVII NCLT and NCLAT	10

	(ii) The Partnership Act, 1932, and (iii) The Limited Liability Partnership Act, 2008 (Nature of LLP; Partners and their Relations; Limitation of Liability; Financial Disclosures)	
4.	(i) The Indian Contract Act, 1872 (Voidable Contracts and Void Agreements; Contingent Contracts; Performance of Contract; Novation, Rescission and Alteration of Contracts; Agency; Consequences of breach of Contract; Indemnity and Guarantee, Surety; Bailment and Pledge; Set off) (ii) The Sale of Goods Act, 1930 (Sale, Condition and Warranty, Seller's Lien and Damages); (iii) The Transfer of Property Act, 1882.	04
5.	a. The Recovery of Debts due to Banks and Financial Institutions Act, 1993; b. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002; and c. Corporate Debt Restructuring Scheme, Strategic Debt Restructuring, and Scheme for Sustainable Structuring of Stressed Assets (S4A of RBI)	04
6.	General Awareness (Constitution, Economy, Financial Markets and Rights of Workmen)	04
7.	Finance and Accounts (Corporate Finance, and Financial Analysis)	04
8.	Case Laws-Decisions of Supreme Court, High Courts, NCLAT and NCLT relating to Corporate Insolvency Resolution, Corporate Liquidation, Voluntary Liquidation and Fast Track Resolution Process. There will be five questions carrying two marks each.	10
9.	Case-Study on Corporate Insolvency Resolution, Corporate Liquidation, Voluntary Liquidation, Fast Track Resolution, Fresh Start, Individual Insolvency Resolution and Individual Bankruptcy. There will one comprehension narrating the case study and there will be five questions based on the case carrying two marks each.	10
Total		100

This syllabus will be valid for examinations conducted from 1st July, 2017 to 31st December, 2017.

II. Format of Examination

The format of examination is as under:

- a. The examination will be conducted online (computer-based in a proctored environment) with objective multiple choice questions.

- b. The duration of the examination will be two hours.
- c. A candidate will be required to answer 90 questions in two hours for a total of 100 marks.
- d. There will be negative marking of 25% of the marks assigned for the question.
- e. Passing mark for the examination is 60%.
- f. Passing candidates will be awarded a certificate by the Board.
- g. A candidate will be issued a temporary mark sheet on submission of examination paper.
- h. No workbook or study material will be provided.

III.Frequency of Examination

The frequency of Examination is as under:

- a. The examination centers will be available from 100 + locations in the country.
- b. The examination will be available from 1st July, 2017.
- c. A candidate needs to enroll for examination at www.nism.ac.in. He needs to select IBBI-Limited Insolvency Examination and enroll himself for the examination by choosing the time, the day and the examination centre for his examination.
- d. A candidate needs to provide PAN and Aadhaar to enroll for the examination.
- e. A candidate needs to pay examination fee of Rs.1000 (One thousand rupees only) online on every enrollment.

2. RBI Circular on 'Timelines for Stressed Assets Resolution'

On 5th May 2017, a day after the Banking Regulation (Amendment) Ordinance, 2017 (Ordinance) received Presidential assent, the Reserve Bank of India (RBI) issued a circular on 'Timelines for Stressed Assets Resolution'. The Circular amends the existing "Framework for Revitalising Distressed Assets in the Economy – Guidelines on JLF and CAP" dated 26 February 2014 (JLF Framework) and mandates members of a joint lenders forum (JLF) to follow strict timelines in implementing the corrective action plan (CAP) or suffer penal consequences for non-compliance.

This Circular has been issued against the backdrop of the Ordinance which empowered the RBI to, inter alia, direct banks to initiate insolvency proceedings and issue directions for resolving stressed assets. The Circular constitutes the first set of directions issued by the RBI under the Ordinance, and clearly demonstrates that the RBI is exercising its powers under the Ordinance to achieve successful resolution of stressed asset situations.

The circular is available at the link:

<https://rbidocs.rbi.org.in/rdocs/Notification/PDFs/NOTI299511AEAA9B6A24FED8633B679A44B8244.PDF>

3. IPA ICAI Update: Composition of Board


IPA- ICAI has reconstituted its Board. With the appointment of 4 independent Directors, the new composition of Board of Directors is as follows:

1. Mr. T.C.A. Ranganathan (Chairman & Independent Director)
2. CMA Manas Kumar Thakur, Director
3. CMA Sanjay Gupta, Director
4. CMA Ashok B. Nawal, Director
5. CMA Neeraj Aarora, Independent Director
6. CMA Satpal Kumar Arora, Independent Director
7. Mr. Ajay K. Jain, Independent Director

4. IPA ICAI Update: Vacancy for the post of Manager (Business Relations)

IPA ICAI released a vacancy advertisement for the post of Manager (Business Relations) on 24th May 2017 in the newspaper 'Times Ascent' of Times of India.

The recruitment for the above position is in process.



**INSOLVENCY PROFESSIONAL AGENCY OF
INSTITUTE OF COST ACCOUNTANTS OF INDIA**
(Section 8 Company registered under the Companies Act, 2013)

**INVITES APPLICATIONS FOR THE POST OF
Manager
(Business Relations)**

having 5yrs. of relevant experience (On Contractual basis for 2 years, further extendable based on performance) with a fixed remuneration of Rs. 1Lakh per month (For deserving candidates, remuneration nor bar). **For details: www.ipaicmai.in, www.icmai.in**

We also welcome professionals meeting eligibility criteria as per Reg. 4 & 5 of IBBI (Insolvency Professionals) Regulations 2016 to enroll with Agency as Insolvency Professionals.



Insolvency Professional Agency of
Institute of Cost Accountants of India

Insolvency Professional Agency of Institute of Cost Accountants of India (IPA of ICAI)

(Section 8 Company of the Institute of Cost Accountants of India)

About IPA of ICAI: *The Insolvency Professional Agency of Institute of Cost Accountants of India (IPA of ICAI), a section 8 company incorporated under the Companies Act 2013 has been promoted by the Institute of Cost Accountants of India to enroll and regulate Insolvency Professionals (IPs) as its members in accordance with provisions of the Insolvency and Bankruptcy Code 2016, Rules, Regulations and Guidelines issued thereunder.*

Enroll and Register as an Insolvency Professional

Enrollment is Open: For Professionals & Advocates and Graduates having Management Experience

IPA of ICAI enrolls the professionals as 'Insolvency Professionals' under Regulation 7 read with Regulations 4 & 5 of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, if

1. He/she has passed the '*Limited Insolvency Examination*', conducted by the Insolvency & Bankruptcy Board of India (IBBI) and
2. Has/she has ten years of experience as -
 - (a) a cost accountant enrolled as a member of the Institute of Cost Accountants of India,
 - (b) a chartered accountant enrolled as a member of the Institute of Chartered Accountants of India,
 - (c) a company secretary enrolled as a member of the Institute of Company Secretaries of India, or
 - (d) an advocate enrolled with a Bar Council. enrolled with a Bar Council,

OR

3. He/ she has fifteen years of experience in management, after receiving a Bachelor's degree from a University

Professional may function as:

- ❖ Interim Insolvency Professional in Corporate, Individual and Partnership Insolvency Process; Fast Track Corporate Insolvency Process; and Fresh Start Process;
- ❖ Resolution Professionals for Corporate, Individual and Partnership Insolvency Process; Fast Track Corporate Insolvency Process; and Fresh Start Process;
- ❖ Liquidator in Liquidation Process for Corporate Persons;
- ❖ Liquidator in Voluntary Liquidation for Corporate Persons;
- ❖ Bankruptcy Professional for Bankruptcy of Individual and Partnership Firm.

Why to enroll as Insolvency Professional

- ✚ It's a niche area of practice with opportunities galore
- ✚ With the first mover's advantage, there is an opportunity to create a brand name
- ✚ Adequate handholding from IBBI and the IPA of ICAI

CMA J. K. Budhiraja

CEO, Insolvency Professional Agency of Institute of Cost Accountants of India

Registered Address:

CMA Bhawan, 4th Floor, 3, Institutional Area, Lodhi Road,
New Delhi- 110003

Phone No.: 011 24666141, 24666120

Mail Id: ipa@icmai.in

Website: www.ipaicmai.in

