



February 08, 2018

# Info Capsule

## AMENDMENTS TO THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) REGULATIONS, 2016<sup>1</sup>

The Insolvency and Bankruptcy Board of India (IBBI) amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

According to the Amendments,

- a. The Resolution Professional shall appoint two registered valuers to determine the fair value and the liquidation value of the corporate debtor. After the receipt of resolution plans, the resolution professional shall provide the fair value and the liquidation value to each member of the committee of creditors in electronic form, on receiving a confidentiality undertaking. The resolution professional and registered valuers shall maintain confidentiality of the fair value and the liquidation value.
- b. The Resolution Professional shall submit the information memorandum in electronic form to each member of the committee of creditors within two weeks of his appointment as resolution professional and to each prospective resolution applicant latest by the date of invitation of resolution plan, on receiving confidentiality undertaking.
- c. The Resolution Professional shall issue an invitation, including the evaluation matrix, to the prospective resolution applicants. He may modify the invitation as well as the evaluation matrix. However, the prospective resolution applicant shall get at least 30 days from the issue of invitation or modification thereof, whichever is later, to submit resolution plans. Similarly, he will get at least 15 days from the issue of evaluation matrix or modification thereof, whichever is later, to submit resolution plans. An abridged invitation shall be available on the web site, if any, of the corporate debtor, and on the web site, if any, designated by the IBBI for the purpose.
- d. While the Resolution Applicant shall continue to specify the sources of funds that will be used to pay insolvency resolution process costs, liquidation value due to operational creditors and liquidation value due to dissenting financial creditors, the committee of creditors shall specify the amounts payable from resources under the resolution plan for these purposes.
- e. A Resolution Plan shall provide for the measures, as may be necessary, for insolvency resolution of the corporate debtor for maximization of value of its assets. These may include reduction in the amount payable to the creditors, extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor, change in portfolio of goods or services produced or rendered by the corporate debtor, and change in technology used by the corporate debtor.

<sup>1</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1519271>

- f. The Resolution Professional shall submit the resolution plan approved by the committee of creditors to the Adjudicating Authority, at least 15 days before the expiry of the maximum period permitted for the completion of the corporate insolvency resolution process.

The Amendments have come into force from February 7, 2018 on their publication in the Gazette of India. The amendments are available at [www.mca.gov.in](http://www.mca.gov.in) and [www.ibbi.gov.in](http://www.ibbi.gov.in)

### **MAINTENANCE AND WELFARE OF PARENTS AND SENIOR CITIZENS ACT, 2007<sup>2</sup>**

According to the findings of a recent Research Study on 'Centre's Policy of Older Persons', commissioned by the Ministry of Social Justice and Empowerment, conducted through an External Agency viz. All India Senior Citizens' Confederation, covering the States of Uttar Pradesh, Punjab, Madhya Pradesh, Odisha, West Bengal, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Tripura, Maharashtra, Rajasthan, Gujarat, Andhra Pradesh, Telangana, Karnataka and Kerala, the working of Maintenance Tribunals and award of the maintenance allowance have been appeared fairly good.

Pursuant to the observations of various judicial fora, and National Consultation Meet held in August 2016 and Recommendation of the Group of Secretaries on Education and Social Development constituted by the Government, suitable amendments to the provisions of the Maintenance and Welfare of Parents and Senior Citizens (MWPSA) Act, 2007 are under consideration in the Ministry.

This information was given by Minister of State for Social Justice and Empowerment Shri Vijay Sampla in a written reply in Lok Sabha.

#### ***Team ICSI***

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<sup>2</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1519271>