

ICSI INSTITUTE OF INSOLVENCY PROFESSIONALS

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Webinar on 'Insolvency and Bankruptcy Process for Personal Guarantors to Corporate Debtors' (November 28, 2019)



[L-R: Dr. Binoy J. Kattadiyil, Dr. K.S. Ravichandaran (top right) and Mr. Nitin Satija]

ICSI Institute of Insolvency Professionals, recently, on November 28, 2019, organised a webinar on “*Insolvency and Bankruptcy Process for Personal Guarantors to Corporate Debtors*” for the Insolvency and other Professionals across the country.

The webinar started with a welcome statement by **Dr. Binoy J. Kattadiyil, Managing Director, ICSI IIP** who also introduced the speaker/expert **Dr. K.S. Ravichandaran, Managing Partner, KSR & Co.**, who participated from Coimbatore. During the course of webinar, the expert elaborately dealt with different critical aspects including the process and timelines prescribed. With a brief background of the context, including the erstwhile law, Dr. Ravichandaran went on to explain both the substantive as well as procedural aspects of insolvency resolution and bankruptcy process *vis-a-vis* personal guarantor to the Corporate Debtor.

Dr. Ravichandaran explained that with the introduction of new Rules and Regulations (effective from 1st December, 2019) and the coming into force of relevant provisions of IBC (*inter alia* including sections 94 to 187), the era of unsettled position of *liability of personal guarantor to Corporate Debtor* has come to an end, and the same Adjudicating Authority (NCLT) dealing with insolvency proceedings *vis-à-vis* the CD shall now have the jurisdiction to entertain proceedings *wrt* personal guarantor(s). Different pertinent concepts including “*excluded assets*”, as contained in section 79(14), IBC, were explained in some detail, and the legal policy of non-interference by law in case of such assets was emphasized. The expert highlighted the fact that with the statutory process (dealing with personal insolvency and bankruptcy) being put into place, the state of insolvency *vis-à-vis* personal guarantor shall no more be a taboo, and a genuine individual shall be able to get out of it within a given time frame.

The discussion attracted a lot of pertinent queries sent by the viewers. The same were duly addressed to and answered by the expert. Answering to a particular query on requirement of execution of separate guarantee agreement for invocation of these provisions, Dr. Ravichandaran informed that the test thereof shall be the *legal enforceability* which is independent of the form that it takes.

The Webinar ended with a *vote of thanks* by Mr. Nitin Satija (Assistant Director, ICSI IIP) to Dr. Ravichandaran. Webinar video is available @ <http://icsiip.com/video-gallery>; the youtube link thereof is <https://youtu.be/AjSDpAXYZA>.

Thanks & Regards,
Nitin Satija
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