



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

इंडियन इन्स्टीट्यूट ऑफ इनसोल्वेंसी प्रोफेशनल्स ऑफ आई.सी.ए.आई.

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PRESS RELEASE

IIPI's International Conference on "Insolvency Resolution Paradigm: Global Headwinds and Responses" Inaugurated Today

- **Unsustainable debt is a symptom of fundamental issues in 'business model': Arijit Basu, MD (CCG), State Bank of India.**
- **With IBC in place, we will not see 'sick companies' and 'sick banks' in future: Mr Gyaneshwar Kumar Singh, Joint Secretary, Ministry of Corporate Affairs**
- **IBC has opened a lot of opportunities for CAs: Atul Kumar Gupta, President, ICAI**
- **Time to move towards group insolvency, cross-border insolvency and SMEs insolvency: Dr. Ashok Haldia, Chairperson, IIPI**

New Delhi/ 24th October 2020

The two days international conference (online) on "Insolvency Resolution Paradigm: Global Headwinds and Responses" being organized by the Indian Institute of Insolvency Professionals of ICAI (IIPI), was inaugurated on Saturday, October 24, 2020. The conference will be addressed by eminent Indian and foreign delegates including INSOL, UK, USA, Australia including Ministers, senior Government officials from IBBI, Insolvency professionals, senior executives from Banks/FIs, NCLTs, and experts from multilateral organizations.

Speaking as the Guest of Honour in the inaugural session of the conference Mr. Arijit Basu, MD, Commercial Clients Groups (CCG), the State Bank of India (SBI) upheld the role of Insolvency and Bankruptcy Code (IBC) regime in strengthening the banking system in the country and boosting the confidence of national and foreign investors in the Indian economy. "Earlier, we had only 'loan structuring' option which used to take five to six years. Now, the IBC has provided equal opportunity to corporate sector and banks. It has changed the relationship between borrowers and creditors and provided a mechanism of insolvency". He emphasized, "Unsustainable debt is a symptom of fundamental issues in the 'business model' of the concerned company. In case if you don't have a viable resolution plan, we (banks) have a viable resolution plan under IBC,". However, he expressed satisfaction that the big corporate houses in India have efficiently managed their cash flow during the COVID-19.

On this occasion, Mr. Basu also released the October 2020 edition of "The Resolution Professional", the quarterly research journal of IIPI.

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In his address to the Conference, CA. Atul Kumar Gupta, President, the Institute of Chartered Accountants of India (ICAI) highlighted the role of CAs being played in IBC ecosystem as insolvency professionals (IPs). “About 62% of insolvency professionals are CAs. Besides, IBC has opened several new opportunities for CAs in the form of valuer, liquidator, technical experts in NCLT, NCLAT, high courts, and the Supreme Court, and various kinds of advisory services,”. He also appreciated the initiatives of the Central government in helping the businesses to wade through the economic crisis caused by the COVID-19 pandemic. Besides, Mr. Gupta also presented a comparative analysis of India, Australia, Germany, and other countries from the perspective of COVID-19 related economic initiatives.

Vice President, ICAI, Mr. Nihar Ranjan Jambusariya highlighted the role of IBC in the Indian economy and the need to learn from global practices in reviving economy from the damages caused by the COVID-19 pandemic. “If the firms go for liquidation, it will lead to unemployment. Therefore, the demand will be adversely impacted which has been a top priority for economic revival,” he highlighted. He requested the participants to come out with concrete suggestions on IBC for submission with the government before November 2.

In his address, Dr. Ashok Haldia emphasized the need to strengthen the IBC to face new challenges. “There is lot more need to do not only in the areas of group insolvency, cross-border insolvency, SMEs insolvency and pandemics like COVID-19 but also the areas which are still required to be covered,” said Dr. Haldia. “In the conference, we also have experts from South Africa, Singapore, Australia, United Kingdom, and the United States of America (USA) who besides presenting the initiatives of their own countries will also present global perspectives on insolvency which will provide a new path to our professional members,” he added.

Speaking in the session titled “**Perspective on Global Insolvency Regime**”, Mr. Gyaneshwar Kumar Singh, Joint Secretary, the Ministry of Corporate Affairs said, “IBC has not only served corporates but livelihood also. As per estimates the total value of the insolvency cases amount to about Rs 5.63 lakh crores. If it had undergone through liquidation only about 7% of the money would have been recovered. This has adversely impacted the Indian economy,”. He further emphasized, “With IBC in place, there will be no sick companies and sick banks in the future”.

In the same session, Mr. Paul Bannister, Head (Policy), Insolvency Service, UK appreciated the response of India in handling the economic crisis caused by the COVID-19. “These are very difficult times. We already have a world-class insolvency regime, but we are developing further against the context of crisis and changing international context including COVID and UK’s exit from the European Union” said Mr. Bannister.

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In the same session, Dr. Ms. Mukulita Vijaywargiya, Member (Permanent), IBBI said, “The purpose of the law is to change the behaviour of the corporate. We have achieved much on this front despite the shortcomings. She also highlighted the initiatives and achievement of IBBI. “IBC has given a message to other ministries on how the law is to be implemented,” she added. Speaking on this occasion, CA. Prafulla P. Chhajed, past Vice President of ICAI said, “Many times it is not the failure of the business, but issues are related to cross-border economy and issues like COVID pandemic,”. He further added, “It is the success of the entire business community, government and all the professionals. In India, all are travelling together”.

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