



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

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Allow players to use Pre-Pack for all CDs: Union Minister

Shri Bhupender Yadav, Union Minister for Ministry of Labour and Employment, and the Ministry of Environment, Forest & Climate Change has called for expansion of Pre-Pack Insolvency regime for all the corporate debtors. He was speaking in an International Conference on the IBC jointly organized by IIPI and IBBI on March 26, 2022. He also emphasized that there is need to align the IBC with the best international practices to manage cross border insolvency and hoped that IBC would continue to evolve and reach more pivotal milestones to discuss around its 10th anniversary.

For More Details, Please Visit:

<https://www.thehindubusinessline.com/economy/extend-pre-pack-insolvency-regime-to-all-corporates-says-labour-minister-bhupender-yadav/article65262399.ece>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

IIPI jointly with IBBI organized International Conference (Virtual) on “IBC in India & International Perspective”

The Indian Institute of Insolvency Professionals of ICAI (IIPI) jointly with the Insolvency and Bankruptcy Board of India (IBBI) organized an international conference (virtual) on March 26, 2022. Shri Bhupender Yadav, Hon'ble Union Minister for the Ministry of Labour and Employment, and the Ministry of Environment, Forest & Climate Change, graced the occasion as the Chief Guest.

“IBC has evolved as one of the most successful economic legislations in recent years to reorganize and revive corporate entities which would otherwise face liquidation,” said Shri Yadav, who had been Chairperson of the Joint Parliamentary Committee on the Bill regarding IBC, 2016. Shri Paul Bannister, Head-Policy Insolvency Services, Government of United Kingdom, ICAI President CA. (Dr.) Debashis Mitra, ICAI Vice President CA. Aniket Sunil Talati and Dr. Ashok Haldia, Chairman, IIPI-Board were Guests of Honor. Dr. Haldia welcomed the Guests and CA. Rahul Madan, MD-IIPI delivered Vote of Thanks.

The inaugural session was followed by three technical sessions - International Perspectives on Insolvency Law, Individual Insolvency: Perspectives and Challenges and Changing Expectations of Stakeholders. In addition to the Indian Insolvency Professionals (IPs), experts and officials, insolvency/bankruptcy professionals/experts from five nations including the USA, the UK, South Africa, Australia, and Singapore participated in the conference. Besides, the representatives of World Bank Group, INSOL International, London High Court, IBBI, Ministry of Law & Justice, State Bank of India, were also among the participants.

For More Details, Please Visit:

<https://www.iipicai.in/press-release/>



“Given the high degree of globalization in recent times together with successful implementation of proposed developments of the existing IBC Code, it is imperative to align the Indian Insolvency system with best international practices for managing cross border insolvency,” said Chief Guest Shri Bhupender Yadav, Hon’ble Union Minister. He highlighted that in the past five years, the IBC regime in India has made several remarkable achievements which include improvement in Global Insolvency Rank from 136 in 2017 to 52 in 2020; average time taken for resolution reduced from 4.3 years to 1.6 years and getting credit rank improved from 62 to 25. He further said that although the pandemic has adversely impacted IBC, but the opportunities are immense. The Minister appreciated the leading role of IIIPI in strengthening the IBC.



Speaking as the Guest of Honor in Inaugural Session, Shri Paul Bannister, Head-Policy, Insolvency Services, Government of United Kingdom, appreciated the IIIPI for its extraordinary contributions in developing insolvency framework in India. Applauding the three books released by IIIPI on this occasion, he said, “We have similar documents in the UK’s insolvency framework. They will be helpful in standardizing insolvency practitioners in India,”. “Cross Border Insolvency and Individual Insolvency are big issues in the UK’s which will be on focus in coming months,” he added.



On this occasion, CA. (Dr.) Debashis Mitra, President-ICAI released reports of the three Study Groups constituted by the IIIPI titled ‘Background Guidance on Code of Ethics for Insolvency Professionals’, ‘Peer Review Policy’, and ‘Background Guidance on Quality Control by Insolvency Professionals’. The first report pertains to the perimeter within which the IPs need to discharge their professional responsibilities, second reports is related to quality control system within their own organizations and third is regarding peer-review process of the IPs by the IIIPI.



CA. (Dr.) Debashis Mitra, President-ICAI, highlighted the crucial role of changing technology in developing the insolvency profession. “IIPI has emerged as a leader in capacity building of insolvency profession by developing various codes and guidelines for Insolvency Professionals (IPs),” said Mitra. He also highlighted the role of ICAI as the second largest accounting body in the world with presence in 73 cities of 47 foreign countries through its 44 overseas branches.



CA. Aniket Sunil Talati, Vice President, ICAI said that cohesive functioning of the three pillars – IBBI, IIPI and IPs is crucial for development of such a fragile and volatile profession like insolvency. He expressed serious concerns on timely resolution under the IBC and suggested professionals to find out solution so that haircuts can be reduced, and public interest can be saved.



Welcoming the Hon’ble Minister, Dr. Ashok Haldia, Chairman, IIPI-Board, said that the theme of conference – IBC in India & International Perspective – is consistent with the role an Insolvency Professional Agency (IPA) is expected to play as a pillar of the IBC.

“Corporate Stress is common throughout the world in terms of finance, investment, and business etc. Therefore, sharing the international perspective is very important,” said Dr. Halda. He further added, “We are working with a mission to strengthen IBC and establish IIPI as an institute of international repute.” Dr. Haldia emphasized that as a proactive organization, IIPI always endeavors to meet the expectations of stakeholders and win over their trust and confidence. He informed that the IIPI has been the largest IPA in India with over 60% IPs as its members who have handled over 75% of insolvency assignments under the IBC. “These are not the numbers alone but also reveal the quality of services IIPI delivers to its professional members,” he added.



A snapshot of the Session-1 Panel Discussion on ‘International Perspectives on Insolvency Law’. This session was moderated by CA. Hansraj Chugh, Director IIIPI. The panelists include Dr. Eric Levenstein, Chairman- South Arica and Board Member- Insol International, Mr. Michael Brereton, President ARITA and Director- Williambuck, Australia, Mr. Rob Armstrong, MD-Restructuring Advisory, Kroll, UK, Mr. Ashok Kumar, Partner – Blackoak LLC, Singapore, Mr. K. R. Saji Kumar, Joint Secretary, Ministry of Law and Justice, GOI, and Mr. Sandip Garg, Executive Director- IBBI.

As India is emerging to bring out the best from different countries, this session was focused on soliciting views of insolvency experts from various nations on the IBC and also getting their perspectives on insolvency law applicable in those countries. Speakers in this session emphasized that rescuing corporates should be the primary objective of the insolvency regime. They expressed concerns on high percentage of liquidation worldwide and highlighted those amendments in IBC should be aimed at achieving maximum resolution.



A snapshot of the Session-2 Panel Discussion on ‘Individual Insolvency-Perspectives and Challenges’. This session was moderated by CA. Durgesh Kabra, Director IIIPI. The panelists include Ms. Kanika Kitchlu, Connolly Partner, TLT-LLP, UK, Mr. David Kerr, IP, UK, CA. Sanjeev Deora, IP, Adv. Shradul Shroff, Partner, Amarchand Mangaldas, Mr. Sanjeev Pandey, Head & DGM, (NCLT), State Bank of India, and CA. Sumit Binani, IP. The speakers in this session pitched for a legal framework on individual insolvency in India which is easily understandable for common man as well as directors. Post the Supreme Court verdict in Lalit Kumar (2021) case, which rejected the argument that proceedings against individuals should be started only after remedies against the principal debtor and other CDs are exhausted, the need of law on individual insolvency have become imminent.



A snapshot of the Session-3, Changing Expectations of Stakeholders. This session was moderated by CA. Rahul Madan, MD-IIIPI. The speakers of the session include Mr. Sagar Siva Shankar, Operations Officer, Market Advisory, IFC, World Bank Group, Mr. Akhil Gupta, Vice Chairman-Bharti Enterprises, Mr. James Pickering, Part Time Judge of London High Court, and Chairman of Enterprise Chambers and Queen's Counsel, Ms. Rashmi Verma, IAS (Retd.) and Director-IIIPI, and Mr. D. R. Chaudhuri, MD-NeSL.

Insolvency involves multiple stakeholders. The legislation, judiciary and insolvency ecosystem all are interdependent. In this session, the speakers who were thought leaders from various backgrounds and geographies shared their views on how the priorities and expectations of various stakeholders and being transformed over time with an eye on the future.

Delivering the Vote of Thanks, CA. Rahul Madan, MD-IIIPI expressed his gratitude to the speakers. He recognized the challenges before the insolvency profession and that challenges provide the immense opportunity to introduce reforms. With mutual and cohesive cooperation, we would achieve the objectives of the IBC, he said.