



# INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

## इंडियन इन्स्टीट्यूट ऑफ इनसोल्वेंसी प्रोफेशनलस् ऑफ आई.सी.ए.आई.

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### PRESS RELEASE

#### **RP's have little role in delaying the insolvency processes but share most of the blames: Ravi Mital, IBBI Chairperson**

New Delhi/ 25.11.2022

Shri Ravi Mital, Chairperson, the Insolvency and Bankruptcy Board of India (IBBI) has said that the job of insolvency professionals is very challenging as immediately after admission of the case, they are expected to follow a strict timeline prescribed under the IBC. Though RPs have little role in delaying the process, they are blamed the most. There is a need for other stakeholders to share the responsibilities of timelines during the insolvency and share the blame. He was addressing the Webinar on “Challenges & Expectations of Insolvency Profession (Virtual Mode)” as Chief Guest on November 25, 2022, organized by Indian Institute of Insolvency Professionals of ICAI (IIPI) on its 06<sup>th</sup> Annual Day Program.

However, the challenges of the profession do not mean that IPs have no scope to reform. “RPs should be more transparent. Behavioural changes are more important for insolvency professionals as how we change comes from our behaviour,” said Shri Mital. He further added, He highlighted that loss of value and huge haircuts are two major concerns which needs to be addressed. Appreciating the role of IIPI in the insolvency ecosystem, Shri Mital recalled some responsibilities recently delegated by IBBI to IIPI and said, “if you (IIPI) take over all our work related to IPs, we can focus on other issues,”.

Addressing the audience as Guest of Honour, Smt. Anita Shah Akella, Joint Secretary, Ministry of Corporate Affairs (MCA) recognized the insolvency professionals as the ‘key pillar’ of the insolvency ecosystem in their roles as Interim Resolution Professional, Resolution Professional, Liquidator and Bankruptcy Trustee. “IPs comply with all the regulations and adhere to the compliances and timelines,” said Smt. Akella. She appreciated the contribution of IIPI as ‘remarkable’ and highlighted the need for use of technology for better management of insolvency cases.

On this occasion Guest of Honour, Shri. Jayant Kumar Dash, Executive Director, Reserve Bank of India (RBI) highlighted the importance of interim finance in value maximization and resolution of companies. “If interim finance is available, only then the RP would be able to sustain value,” he said. He also expressed his concerns about the rejection of resolution plans

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by CoC and withdrawal of successful resolution applicants which ultimately leads to liquidation of the company and asked the RPs to recommend only viable plans. “IPs should practice utmost transparency and follow an ethical approach to solve problems,” he added.

Delivering the Special Address, Shri. Ashwini Kumar Tewari, Managing Director (Risk, Compliance & SARG), State Bank of India (SBI) pinpointed some sticking issues which pose hurdles in insolvency processes and asked for their solutions. “CoC is largely dependent on RPs for appointment of professionals during the CIRP. Some broad guidelines on this issue would be facilitating the process,” said Shri Tewari. He also emphasized the need to define the share of Operational Creditors (OCs) including government agencies in the proceeds obtained from the Resolution Plan.

In his Special Address, Mr. Adam Taylor, Head of Economic and Finance (India) FCDO, UK said, “About six million people of Indian origin are in the UK. We expect the business between India and UK will increase from present £170 Million to £340 Million by the next year,”. He also highlighted the economic relations between the UK and India with an emphasis on the insolvency regime.

In his Welcome and Opening Address, Dr. Ashok Haldia, Chairman, IIPI-Board, highlighted capacity building initiatives of IIPI for insolvency professionals so that they could meet the expectations of stakeholders as CEO, negotiator, manager, etc. “Excellence, integrity, and efficiency are hallmarks of the insolvency profession,” he said. He also mentioned about two recent ‘open house sessions’ - with President NCLT and IBBI for IPs organized by IIPI.

Sharing her views, Ms. Sripriya Kumar, Insolvency Professional & CCM-ICAI said that the success of any regulator depends on four things – time, people, process, and institution, out of which time is the most important. She also highlighted the need to bring back about ₹2.28 Lacs crore lost through PUF transactions into the economy.

On this occasion, two publications of IIPI – “Background Guidance on Valuation Process Under Insolvency and Bankruptcy Code 2016: Best Practices” and “Report on Best Practices on Individual Insolvency (with reference to PG to CD)” were also released.

CA. Rahul Madan, MD-IIPI presented the ‘Vote of Thanks’.

The Inaugural Session and Special Address were followed by a ‘Panel Discussion’ which was moderated by CA. Hans Raj Chugh, Insolvency Professional & CCM-ICAI. The panelists include Adv. Bahram N. Vakil, Founding Partner, AZB & Partners; Dr. Sanjeev Gemawat, Group General Counsel Vedanta Group; CA. Sripriya Kumar, Insolvency Professional, and CCM-ICAI, Ms. Kanika Kitchlu-Connolly, Partner-TLT, LLP, the UK; Mr. Sanjay Jain, CEO,

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Aditya Birla ARC Ltd., Mr. Kapil Mantri, EVP & Global Head, Corporate Strategy, M&A,  
JSPL Group.

### About IIPI

Indian Institute of Insolvency Professionals of ICAI (IIPI), promoted by The Institute of Chartered Accountants of India (ICAI) is the largest IPA in India under the aegis of Insolvency and Bankruptcy Board of India (IBBI) with about 63% Insolvency Professionals as its Members. Website: <https://www.iiipicai.in/>

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