

Message from Chairman, Governing Board-IIPI



Dr. Ashok Haldia
Chairman, Governing Board- IIPI

Dear Member,

Happy New Year 2023!

On 25th November 2022, IIPI completed six years since its incorporation. During the six years of operation, IIPI has continuously remained the largest Insolvency Professional Agency (IPA) of the country both in terms of number of members and the number of assignments under IBC. Starting from a modest 33 professional members in December 2016, IIPI's members have grown to 2,671 members now, constituting about 63% of total Insolvency Professionals (IPs) in the country. Furthermore, IIPI's incremental share of membership during April to November 2022 improved to 71.8%. We can proudly say that our professional members have conducted over 70% of insolvency assignments under the IBC regime. After the recent regulatory amendments allowing registration of Insolvency Professional Entities (IPEs) as Juristic IP, IIPI swung into action and became the first IPA to roll out the enrolment of such IPEs as IPs. The growing confidence of insolvency professionals in IIPI, is a testimony of the qualitative services, it extends to its professional members.

Insolvency profession is a unique one which lays crucial and, at times, onerous responsibilities upon insolvency professionals. In his/her capacity as IRP, RP or Liquidator, an IP is required to strike a fine balance among

various stakeholders such as financial creditors (secured or unsecured), operational creditors, dealers/customers, suppliers, employees, resolution applicant, etc., that approach him/her with expectations often conflicting in nature. At the same time, an IP is expected to run the financially stressed Corporate Debtor as a going concern and guide the efforts of resolution while preserving and maximizing the value of underlying business/assets, keeping a close watch on the timelines. In this context, all the endeavours of IIPI are aimed at equipping our professional members appropriately to face these challenges successfully.

Evolving Jurisprudence

IPs and legal experts have expressed reservations on various platforms regarding two recent judgements of the Supreme Court – *Vidarbha Industries Power Limited Vs. Axis Bank Limited* (Civil Appeal No. 4633 of 2021) and *State Tax Officer Vs. Rainbow Papers Limited* (Civil Appeal No. 1661 and 2568 of 2020). Though, these judgements may be revisited or reviewed in times to come, it highlights the evolutionary nature of law and the need for nuanced applicability of the case laws in the context of the text.

IBBI through a circular on 13th September 2022 has taken a laudable initiative for seeking information from IRPs/RPs/Liquidators involved in litigations wherein any important issue relating to vires, interpretation, and applicability of the provisions of the IBC, Rules and Regulations made thereunder is being contested before the Hon'ble Court(s). This measure may be critical in order to ensure the representations by the Regulator in deserving cases and to avoid *ex parte* decisions on matters of legal interpretation.

The IPs and IPEs working on various assignments under the IBC, 2016 should be vigilant enough and inform proactively to the Regulator, if any provision of the IBC, 2016 or any Regulation made under it, is challenged in any court of law.

Capacity Building

Insolvency profession requires a multidisciplinary understanding and multidimensional approach to handle

CIRP assignments and rescue the corporate lives. At IIIPI, we have been taking several initiatives to provide varied exposure of national and international level to our professional members.

On its 06th Foundation Day, IIIPI organized a Webinar on “Challenges & Expectations of Insolvency Profession (Virtual Mode)” the 'Inaugural Session' of which was graced by Shri Ravi Mital, Chairperson-IBBI as Chief Guest. Smt. Anita Shah Akella, Joint Secretary, Ministry of Corporate Affairs (MCA), Government of India, and Shri. Jayant Kumar Dash, Executive Director, Reserve Bank of India (RBI) graced the occasion as Guests of Honour. The Inaugural Session was followed up with 'Special Addresses' and 'Panel Discussion' in which dignitaries shared their views. On this occasion, two publications of IIIPI – “Background Guidance on Valuation Process Under IBC” and “Best Practices on Individual Insolvency under IBC (with reference to Personal Guarantor to CD)” were also released.

IIIPI recently organized two open house sessions for IPs – *first*, with Hon'ble President, NCLT and *second*, with Chairperson, IBBI. In these open house sessions, the IPs shared their issues and challenges. These programs have helped in building trust and confidence to a great extent between the Judiciary, Regulator, and IPs.

During the interactive session with Chairperson, IBBI on Nov.22, 2022, it was suggested that a list of FAQs shall be designed around grey areas under IBC which would be answered by IBBI and shall serve the purpose of providing guidance to IPs upfront. We have initiated a survey across

IP members, seeking suggestions on the questions (FAQs) to be covered as such. We request the members to contribute their questions for the purpose.

During the current FY so far, IIIPI has conducted 39 webinars, 14 Executive Development Programs (EDPs), 07 LIE Preparatory Virtual Classroom Programs, 07 PRECs, 05 Seminars, 02 Conferences and 03 Trainings/workshops. Besides, IIIPI has developed and launched innovative e-Services for IPs such as Mentorship Program, Peer Review Portal, and MSMEs Helpline. In each edition of the journal, case studies on CIRP assignments are covered to facilitate knowledge enhancement of our members.

So far, IIIPI has constituted 14 Study Groups out of which the reports of 10 Study Groups have been published while four are under process. Besides, more Study Groups will be constituted soon on contemporary subjects in near future as an ongoing effort.

We hope the year 2023 will bring new hopes and provide new dimensions to the insolvency regime in India in terms of much awaited Cross Border Insolvency Framework, Pre-Pack Framework for big corporates, and Group Insolvency Framework among others. With the active support and contribution of our professional members, we at IIIPI also aspire to create new frontiers in development of insolvency profession and build a stronger insolvency profession.

Wish you all the best.

Dr. Ashok Haldia
Chairman, Governing Board-IIIPI