

Message from Chairman, Governing Board-IIPI



Dr. Ashok Haldia
Chairman, Governing Board- IIPI

Dear Member,

Insolvency reform is crucial for economic growth, which is directly related to the health of the banking institutions, because this is the widely accepted way to allay risks from highly indebted corporate sectors. In its latest report, the World Bank has predicted the global growth to decelerate from 3.1% in 2022 to 2.1% in 2023. During the same period, the GDP growth of advanced economies (United States, Japan, and Euro Area) has also been projected to decrease from 2.6% in 2022 to 0.7% in 2023 while Indian economy is expected to remain above 6.3% till 2025. The rising trend of Indian economy shows the scope, and the role India will be playing in the global economy in near future. In this scenario the reforms in Indian insolvency ecosystem have become imminent.

Indian Institute of Insolvency Professionals of ICAI (IIPI), with a view to bring various stakeholders on a platform and create an ambiance for reform in IBC 2016, organized a Conference on the topic “Overcoming Emerging Challenges under IBC – Preparing IPA & IPs” through physical mode in New Delhi on June 16, 2023. Shri LN Gupta, Hon'ble Member (Technical) NCLT-Delhi graced the occasion as Chief Guest. Ms. Anita Shah Akella, Joint Secretary-Ministry of Corporate Affairs (MCA), Shri Santosh Kumar Shukla, Executive Director-

IBBI, and Shri Ashwini Kumar Tiwari, MD-SBI were present as Guests of Honour and shared their views with corporate representatives, lawyers, and insolvency professionals on various aspects of the IBC 2.0 including Cross Broder Insolvency, Group Insolvency, Pre-Pack Insolvency, Individual Insolvency, and also the issues related to various sectors of the economy. The experts also discussed and deliberated on amendments proposed by IBBI and also the possible solutions for the challenges before the insolvency profession in near future. For wider dissemination of this intellectual discourse and bring more and more brains on board as change makers, we have published the key takeaways of the Conference in this edition of The Resolution Professional.

Initiatives by IBBI

Arranging information from promoters and management of the corporate debtor has been a tedious task for Insolvency Resolution Professional/ Resolution Professional (IRP/RP). The IBBI in a Discussion Paper released on June 7, 2023, has proposed that if the CD is unable to provide the list of assets and records, the same shall be prepared by the IRP/RP at the time of taking custody of assets and records. The list of assets and records shall be signed by the parties present and by at least two individuals who have witnessed the act of taking control and custody over such assets and records. Besides, reforms proposed by IBBI include provision of favourable voting on more than one Resolution Plans with an elimination and tie-breaker formula, timeline for submission of consolidated claims, increasing fee and responsibilities of Authorised Representatives, recording relevant minutes of CoC meeting, audit Insolvency Resolution Process Cost (IRPC) and addressing the aspects of limitation etc. The IBBI, in another 'Discussion Paper' released on the same date has proposed to revise PREC curriculum with a provision of exit assessment exam, and introduction of a straight-through approach for both enrolment and registration process.

After deliberations on these issues, we hope the final outcome will strengthen the insolvency framework in

India and will be a big step towards realizing the objectives of IBC 2.0.

Enhancing Professionalism

Insolvency Professionals (IPs) play a pivotal role in the insolvency ecosystem and also key stakeholders of all reforms. As they execute insolvency processes on the ground, opening avenues for enhancement in their professional aura has always been a priority for IIIPI. In furthering this objective, IIIPI recently secured the associate membership of INSOL International, United Kingdom (UK) and launched a scheme for 'Co-membership of INSOL International, UK' for its professional members at much concessional terms. With this association, IIIPI will be represented through INSOL International on the global stage for law reform and best practice developments. This would also help our IPs in building their capacity and capabilities, especially when Cross Border Insolvency is on anvil in India. So far, IIIPI has facilitated about 330 IPs to become individual members of INSOL International, UK. This initiative will go a long way in making Indian IPs at par with the best insolvency/bankruptcy professionals of the world and also open new avenues for them in the global market.

Capacity Building

Capacity building is one of the important roles of IIIPI. We have been organizing various programs solely and also in association with various organizations of national and international repute to provide our professional members a platform for exchange of ideas and practical experiences.

So far, IIIPI has constituted 16 Study Groups out of which the Reports of 13 Study Groups have been published and are available on IIIPI website. Further, a publication titled "Roles of Insolvency Professionals Across Insolvency Value Chain From Incipient State Till Post-Resolution Stage" has been released recently. As extension of study on 'Avoidance Transactions', templates for seeking information from lenders and submitting application to AA are also have been finalized recently. Presently, following Study Groups are under progress:

- Case Management system-IT infrastructure for IPs.

- Usage of Taxonomy/XBRL as Technology Solution for IBC Processes
- Contribution of IPs in timebound Resolution under IBC
- Analyzing reasons for delay during CIRP through Case Studies

Moreover, under the IIIPI Research Project Scheme, three research projects approved earlier are proceeding as per schedule. Further, two more studies have been approved recently.

After IIIPI recently entered into MoU with IIM, Ahmedabad, the 1st batch of residential "Management Development Program" (5 Days) at IIM Ahmedabad Campus, has been announced which shall be held from 20th to 24th September 2023.

More MoUs are being considered for capacity building training and research with leading institutions like Indian Institute of Corporate Affairs (IICA) and Indian Institute of Management (IIM), Bangalore, respectively.

As a leading IPA of the country, IIIPI has taken several out of the box initiatives for enhancing professionalism among its professional members. The Peer Review and Mentorship Programmes of IIIPI have received accoladed across stakeholders for their role in standardization and improving the quality of insolvency profession. The members are encouraged to actively participate in these initiatives. Like the previous edition, the present edition of The Resolution Professional has an interview and a case study to provide a practical understanding of various aspects of the insolvency profession to the readers. I am thankful to Shri Natarajan Sundar, MD& CEO of NARCL for carving out time from his busy schedule for the interview.

I hope you will enjoy reading this edition of the journal.

Wish you all the best.

Dr. Ashok Haldia
Chairman, Governing Board-IIIPI