

Message from Chairman, Editorial Board



CA. Aniket Sunil Talati
President, ICAI
Chairman, Editorial Board-IIIPI

Dear Member,

At the outset, my warmest greetings to everyone as we step into the festive season. Let's rejoice in these moments of happiness and convey the message of optimism, harmony, and affection.

Today, India ranks as the fifth largest global economy emerged as a preferred destination for foreign investments. Among various reasons for this ascent, the effective enactment of the Insolvency and Bankruptcy Code (IBC) stands out prominently. It is indeed noteworthy that the IBC regime, a significant financial reform, has developed with time, increased investor's confidence and has thus promoted ease of doing business in the country. IBC has indeed proved to be a catalyst for economic growth and recovery, playing a pivotal role in strengthening the financial health of both the banking and corporate sector - a crucial element for any developing economy.

With seven years having been passed since the enactment of this code, the same has been amended several times, with a focus on improving the transparency and efficiency of the Corporate Insolvency Resolution Process (CIRP). Regular initiatives have been taken to strengthen the insolvency ecosystem and ensure resolution of stressed

corporates in a timely and effective manner. The effectiveness of the resolution process as envisaged in the code is evident in a research study conducted recently by IIM, Ahmedabad. As per this research, resolved firms have experienced a remarkable transformation in performance, as average sales have surged by 76% within three years of their resolution and total average assets increased by 50%, accompanied by a significant 130% rise in capital expenditure. Moreover, liquidity has also, registered 80% increase post resolution. These trends showcase the positive impact of resolution under IBC on the financial health and performance of these firms and in turn of the country's economy. The ratio of cases, under CIRP, resolved versus liquidated has improved from 0.21 in FY 2017-18 to 0.45 in FY 2022-23, indicating a positive trend in favour of resolutions rather than liquidations. On average, the resolution plans under the IBC have yielded 83.89% of fair value of the corporate debtors and an impressive 167% of the liquidation value.

IIIPI, being at the forefront of the insolvency profession since its inception, consistently leads in capacity building, research, policy recommendations, and the standardization of the profession. It has actively supported professionals through collaborations with industry and academia while also providing international exposure to them through partnerships and programs. As we continue to navigate the ever-evolving landscape, *The Resolution Professional*, (quarterly peer reviewed journal) remains a beacon of knowledge dissemination and scholarly discourse. Efforts of Indian Institute of Insolvency Professionals of ICAI (IIIPI) in providing a platform for the exchange of ideas and insights on the IBC through this journal are invaluable, for advancing the understanding of this crucial economic law. I hope that the journal would serve its purpose.

Wish you a happy reading.

CA. Aniket S. Talati
President, ICAI
Director & Chairman, Editorial Board-IIIPI