

Message from Chairman, Governing Board-IIPI



Dr. Ashok Haldia
Chairman, Governing Board- IIPI

Dear Member,

Coming November 25th, Indian Institute of Insolvency Professionals of ICAI (IIPI) will be celebrating 7th Foundation Day marking another year towards strengthening the IBC ecosystem further. During last couple of years, IIPI has introduced several firsts in India's insolvency regime such as Peer Review Mechanism, Mentorship Program, Co-Membership of INSOL International, Research Project Scheme, MoUs with premier institutions, Capacity Building programs, facilitating interaction across the stakeholders, etc., that have significantly enhanced the quality of insolvency profession.

Under the IBC regime, the banking sector in India has been witnessing resilience and vigour. According to the State Bank of India's economic research report – *Ecowrap*- published on August 22, 2023, asset quality of Public Sector Banks (PSBs) has improved significantly. As per the latest Financial Stability Report of Reserve Bank of India (RBI), the gross and net NPA ratio have fallen from a high of 11.5% and 6.1% in March 2018 to 3.9% and 1.0% in March 2023. Besides, the PSBs in India have improved on various parameters such as high capital adequacy of 15.53% CRAR (comparable to major economies of the world), healthy balance sheets supported

by a provision coverage of 90.68%). Thus, our banking system is well positioned to support the credit needs of the productive sectors of the growing economy, which is one of the primary objectives of the IBC, 2016.

Resolution of Real Estate Companies under IBC and/or RERA has emerged as a significant challenge of late. In this regard, IIPI is focussing on a three-tier approach to address concerns of various stakeholders, *firstly*, meetings with Real Estate Regulatory Authorities (RERA) across different states have been held, *secondly*, roundtable meetings have been held with IPs in Delhi and Mumbai, and *thirdly* a study group has been constituted on 'Improving Real Estate Resolutions under IBC and Coordination with RERA'. We shall be pursuing various suggestions received from these deliberations with the relevant stakeholders.

We are working on templates for managing avoidance transactions, in a better way, in active consultation with IBBI. Besides, we recently met senior officials of RBI, to appraise them of expectations of the professionals.

With an endeavour to facilitate discussions and sharing of ideas on various aspects of stressed assets market in the country, IIPI organized a Conference (Physical) on “Developing Market for Stressed Assets in India” on September 22, 2023, with Shri Ravi Mital, Chairperson-IBBI as Chief Guest. On this occasion, a publication “Contribution by Insolvency Professionals in Resolution under IBC” based on the report of a Study Group constituted by IIPI in this regard was also released. For wider dissemination, the key takeaways of the conference have been published in this edition.

IBBI through an amendment in IP Regulations on September 18, 2023, has further streamlined the process of enrolment and registration of IPs and IPEs. Furthermore, amendments in IBBI (Insolvency Resolution Process for Corporate Persons) Regulations are aimed at addressing various issues causing frequent litigations during CIRP. The amended Regulations mandate the creditors to provide some additional documents along with CRIP

petition and due assistance and cooperation by the personnel of the CD to the IRP/RP. The amended Regulations have also extended the timeline to creditors to file their claims thereby resolving a highly contentious issue of claim rejection which were a major cause of litigation related delays. These reforms will certainly reduce burden on NCLTs and helpful for RPs in meeting timelines.

IBBI has recently issued a couple of 'Discussion Papers' proposing several amendments on range of issues related to streamlining CIRP and Liquidation process, Regulations on IPs/IPEs, and PG to CD Framework, among others. We hope these proposals, once implemented, shall further strengthen the insolvency ecosystem.

Capacity Building

Since its establishment in 2016, IIPI has been engaged in capacity building through various programs. We firmly believe and are committed to innovations in insolvency ecosystem by active engagement of various stakeholders.

IIPI has been fostering dialogues among various stakeholders for a better and cohesive ecosystem. Further several capacity building programs have been organized on non-conventional topics, like Understanding issues across taxation and other allied laws, Master class on Avoidance Transaction, industry specific knowhow, evolving jurisprudence, preparation/marketing of IM and resolution plan, etc.

IIPI's Research Projects Scheme is becoming increasingly popular among researchers across professional backgrounds. So far, we have approved five research projects, viz.:

- Reasons and Remedies for Under Utilization of PPIRP Framework

- Efficacy of Insolvency Law in India Vs. other countries
- Gap Identification and Conflict Resolution Between IBC and RERA: A Remedial Approach for Home Buyer
- Feasibility of Project-wise Resolution in Real Estate Insolvencies: Conceptualizing A Sectoral Approach
- Financial Solvency and Bankruptcy Analysis of Farmer Producer Companies in East India

Moreover, so far, IIPI has constituted 16 Study Groups out of which the Reports of 12 Study Groups have been published and are also available on IIPI website.

The regular publication of IIPI's peer reviewed research journal- *The Resolution Professional*, is being acclaimed by various stakeholder of the IBC ecosystem as it provides a platform for sharing and disseminating high-quality research insights and intensive practical knowledge across stakeholders. In this short span, the journal has created a niche at the national and international level and is increasingly becoming popular among various stakeholders of the insolvency ecosystem. I am thankful to Shri Anand Kumar, Chairman-RERA, Delhi and Chandigarh, for sharing his wisdom on the topic. Besides, you will also get to read various research articles and a case study aimed at providing the first hand practical experience to the readers.

With these words, I thank all those who have been contributing articles and case studies for the journal and request you all to contribute actively for upcoming editions of *The Resolution Professional*.

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

Wish you all the best.

Dr. Ashok Haldia
Chairman, Governing Board-IIPI