

KNOWLEDGE REPONERE
(A Weekly Bulletin)

*“Success is a journey, not a destination.
The doing is often more important than the outcome. - Arthur Ashe”*

Dear Professional Members,

The Insolvency and Bankruptcy Code, 2016 (“Code”) has provided professionals a launching pad to deal with the insolvency/ liquidation process for individuals, firms and corporates. The new Insolvency law endeavours to provide a speedy and time bound mechanism to deal with the insolvency and liquidation proceedings.

As per a recent research, different countries in the world generally take upto 1.5 years to resolve an insolvency case with an average recovery rate of 85%. However, in India the time period taken for resolving an insolvency matter is 4.3 years with an average recovery rate of merely 25%. It can be visualized from the statistics that the newly registered Insolvency Professionals will play a pivotal role in the Insolvency Resolution and Liquidation Process.

According to a report, there are 700 pending cases at BIFR and 15000 pending cases in DRT related to corporates which shall be transferred to NCLT. Further, many banks are also planning to take recourse to the new Code in order to recover their loans. As per a recent Business Standards article, Punjab National Bank in order to overcome from its stressed loan is planning to drag 250 of its defaulters to NCLT under the provisions of the Code.

Taking into consideration the plethora of opportunities that the Code has spelled for the professionals to explore and in order to help our professional members to create a niche for themselves under the Insolvency and Liquidation regime, the ICSI IPA has taken an initiative to keep our professional members abreast with the latest amendments, notification and case laws filed under the Code as well as other issues encompassing the law of insolvency in India and Abroad. This is the first communication in this regard.

The recent updates vis-à-vis the Code and ICSI IPA are presented below:

1. Since the enactment of the Information and Bankruptcy Code, 40 cases have been filed under the Code at the different benches of NCLT out of which
 - 15 cases have been filed under Section 7 of the Code; which deals with *Initiation of corporate insolvency resolution process by financial creditor*.
 - 7 cases have been filed under Section 8 and 9 of the Code; which deal with *Initiation of corporate insolvency resolution process by operational creditor*.

- 8 cases have been filed under Section 10 of the Code; which deals with *Initiation of corporate insolvency resolution process by operational debtor*.
- 9 cases have been transferred from BIFR.
- 1 case has been filed under Section 60(5) that deals with *Adjudicating Authority for Corporate Persons*.

Out of the aforesaid cases filed before the different benches of NCLT, there are 10 cases under which an Interim Resolution Professional has been appointed. A compilation of these cases is given below:

S. No.	Case Title	NCLT Bench
1.	ICICI Bank Limited Vs Innoventive Industries Limited	Mumbai
2.	SREE Equipments Finance Limited Vs SREE Metaliks Limited	Kolkata
3.	M/s. Hind Motors Limited	Chandigarh
4.	VIP Finvest Consultancy Private Limited Vs. Bhupen Electric Limited	Mumbai
5.	M/s. Rave Scans Private Limited	Principal Bench, New Delhi
6.	Synergies-Dooray Automotive Limited	Hyderabad
7.	NICCO Corporation Limited	Kolkata
8.	VNR Infrastructure Limited	Hyderabad
9.	M/s. Kamineni Steel & Power India Private Limited	Hyderabad
10.	UB Engineering Limited	Mumbai

2. ICSI IPA launched its website www.icsiipa.com on 7th February, 2017. The website displays information about the constitution of ICSI IPA, process for registration as an Insolvency Professional including application forms, Knowledge Center covering all the regulatory updates, latest announcements and amendments etc. It is proposed to include dynamic features such as online registration, online submission of documents and online payment by Insolvency Professionals.
3. Insolvency and Bankruptcy Board of India (IBBI) has come out with Draft **Regulations on Voluntary Liquidation** of Corporate Persons and comments on the same have been invited from all the professionals by the IBBI latest by 8th March, 2017. You may send your comments on the same at anchal.jindal@icsi.edu.
4. IBBI came out with **Draft Regulations on Information Utilities**. In respect of the same, ICSI IPA jointly organized an Interactive Meet with ASSOCHAM on 18th February, 2017 which was chaired by Dr. M. S. Sahoo, Chairperson of the IBBI. Professional Experts from legal, financial and banking sector were part of the meet and inputs were solicited from all of them on the issues pertaining to the proposed Information Utilities.
5. ICSI IPA came out with its first publication on the Code named as “**Insolvency and Bankruptcy Code, 2016 (with Rules & Regulations)**”. This book is a compilation of regulatory aspects of the Code including the rules, regulations and notifications issued thereunder as well as the Bankruptcy

Law Reform Committee Report. This book is a handy reference for the Insolvency Professionals, other professionals, corporates and researchers in understanding the new law. The book is available for purchase from the ICSI Headquarters and can also be obtained through post by sending a requisition alongwith a demand draft of Rs.550/- per book (postage included) for the requisite amount in favour of the “ICSI Insolvency Professionals Agency” along with the application mentioning your name and complete postal address for Insolvency and Bankruptcy Code, 2016 Publication at the address : Rita Aswani, Deputy Director, Stores Department, The Institute of Company Secretaries of India C-37, Sector-62, Noida-201309, 0120-4522016.

6. As we are aware that the IPs may face challenges with respect to collation of claims, dealing with debtor company, taking over of assets, constitution of creditors committee, ascertainment of fees to be charged, placement of the right professionals in the Insolvency/Liquidation Process and the compensation to be paid to them etc. The members are requested to provide inputs regarding their expectations, suggestions, queries and the challenges being faced by them in dealing with the new law. We will also appreciate if the IPs may share with us their experiences based on the assignments they have undertaken under IBC which may be developed into case studies (without disclosing the client identity and information of confidential nature) for the purpose capacity building..

In order to address the concerns/challenges and the obligations of Insolvency Professionals, ICSI IPA proposes to organize webinars/seminars on a regular basis. The program schedule for the same shall be notified on the website of ICSI IPA. The members may register for such webinars/seminars in order to equip themselves to face the rapidly changing environment and understand and prepare for the issues of the future vis-a-vis the new Code.

With Best Wishes!!

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