



*'Bestowing a Fresh Lease
of Life to Corporates'-*

The Insolvency and Bankruptcy Code 2016

IBC: A PROGRESS REPORT

LONG TITLE: OBJECTIVES

- **Maximisation of Value of Assets**
- **Promote Entrepreneurship**
- **Promote Availability of Credit**
- **Balance the interests of all the Stakeholders**

CONSTITUENTS

- **Oversight and Facilitation**
 - **NCLT and NCLAT**
 - **IPs and IPAs**
 - **IBBI**
 - **IUs**
- **Stakeholders**
 - **Debtors and Creditors**
 - **Committee of Creditors**
 - **Resolution Applicants**

STRATEGY

- **Resolve Viable**
- **Liquidate Unviable**
- **Not Recovery**
- **Start Early**
- **Complete Early**
- **Going Concern**
- **Collectively**
- **As a Team**
- **Best Plan**
- **Cost, Time, Recovery, Transparency**

IMMEDIATE OUTPUT

- **IPs Regulations, 2016**
- **IPAs Regulations, 2016**
- **Model Bye-laws of IPAs Regulations, 2016**
- **Information Utilities Regulations, 2017**
- **Inspection and Investigation Regulations, 2017**
- **Grievances & Complaints Regulations, 2017**

IMMEDIATE OUTPUT

- **Adjudicating Authority Rules, 2016**
- **Registered Valuers and Valuation Rules, 2017**
- **CIRP Regulations, 2016**
- **Fast Track CIRP Regulations, 2017**
- **Liquidation Process Regulations, 2016**
- **Voluntary Liquidation Process Regulations, 2017**

IMMEDIATE OUTPUT

- **Amendments in Regulations**
 - **Claim Form**
 - **Interest of Stakeholders**
 - **Disclosures**
- **Ordinance**
 - **Classification**
 - **Debarment**
 - **Penalty**

INTERMEDIATE OUTPUT

- **Institutional Infrastructure**
 - **Constitution of NCLT**
 - **Establishment of IBBI**
- **Service Providers**
 - **IPs: 1300**
 - **IPEs: 51**
 - **IPAs: 3**
 - **IU: 1**
 - **Valuers: ???**
- **Examination**
 - **Limited Insolvency Examination**
 - **Valuers' Examination**

INTERMEDIATE OUTPUT

- **Transactions**

- **Admitted: 480**
- **Operational Creditors: 200**
- **Financial Creditors: 175**
- **Corporate Debtor: 105**
- **High Court: 53**
- **Default: 1.3 lakh crore**
- **Voluntary Liquidation: 100**

In Innoventive Industries Ltd.

“we thought it necessary to deliver a detailed judgment so that all Courts and Tribunals may take notice of a paradigm shift in the law. **Entrenched managements are no longer allowed to continue in management if they cannot pay their debts.**”

AA PERSPECTIVE

In DF Duetsche Forfait AG and Anr.

“if we start looking at this draconian law gobbling up the companies and branding orders as harsh, then we remain where we are, perhaps will go down further, but for the sake of this reason, we cannot wish away the mandate of this nation come through Parliament.”

“no pleading or defending party, the terminology like petitioner/respondent or plaintiff/defendant is not present under this Code....” It is not an adversarial proceeding.

AA PERSPECTIVE

In Magicrete Buildings Solution Pvt. Ltd.;

“It is hereby made clear that all citizens of the country are bound by the statute governing people of this country”.

In Prabodh Kumar Gupta;

“..the position of present petitioner is undisputedly of stakeholders. Therefore, the IRP appointed by this Court in respect of the corporate debtor company is equally expected to consider and take care of the interests of the petitioner....”

AA PERSPECTIVE

In Parker Hannifin India Private Limited;

“once admitted, other creditors have a right to file their claims. The nature of insolvency petition changes to representative suit and the lis does not remain only between a creditor and the corporate debtor.”

In Surendra Trading Company;

“time is the essence of the Code and the timeline of 180 days for creditors to complete a corporate insolvency resolution process is mandatory.”

FINAL OUTPUT

Sl.	Firsts	Matter	Date
1.	1 st CIRP by FC	ICICI Bank Ltd. Vs. M/s. Innoventive Industries Ltd	17 th January, 2017
2.	1 st CIRP by CD	Nicco Corporation Limited & UB Engineering Limited	18 th January, 2017
3.	1 st CIRP by OC	Shyam Indofab Private Limited vs. Midas Touch Export Private Limited	17 th February, 2017
4.	1 st Voluntary Liquidation Filed	Nilgai Furniture	7 th April, 2017
5.	1 st CIRP by Employees	Zeel Global Projects Private limited	27 th April, 2017
6.	1 st CIRP against a PSU	Burn Standard Co. Ltd.	31 st May, 2017
7.	1 st Resolution Plan approved	Synergy Dooray Automotive Limited	2 nd August, 2017
8.	1 st Liquidation	Bhupen Electronics	9 th August, 2017
9.	1 st Voluntary Liquidation	Ray Hospitality Private Ltd

FINAL OUTPUT

- **Resolution Plan: 6**
- **Liquidation: 20**
- **Voluntary Liquidation: 1**
- **Resolution vs. Liquidation**
- **Resolution vs. Recovery**
- **Operational Creditors**
- **Home-buyers**

ISSUES

- **Resolution vs. Liquidation**
- **Resolution vs. Recovery**
- **Interest of Stakeholders**
- **Resolution Plan**
- **Resolution Applicant**
- **Markets:**
 - **Interim Finance**
 - **Resolution Plan**
 - **Liquidation Assets**
- **Large Number of Creditors**
- **Cross Border Insolvency**

FACILITATION

- **Government Commitment**
 - **Its Dues**
 - **NCLT, IBBI**
 - **Clarification**
 - **Ordinance**
- **IBBI**
- **IPs, IUs**
- **Competition Law**
- **Securities Laws**
- **Taxation Laws**
- **Transfer of Licenses**
- **Companies Act**
- **Awareness**

NEXT STEPS

- **Individual Insolvency**
 - **Guarantors**
 - **Businesses**
 - **Individuals**
- **Operationalisation of IUs**
- **Review of Regulations**
- **Valuers**
- **Data Dissemination**



THANK YOU