



भारतीय विवाला और शोधन अक्रमता बोर्ड  
Insolvency and Bankruptcy Board of India

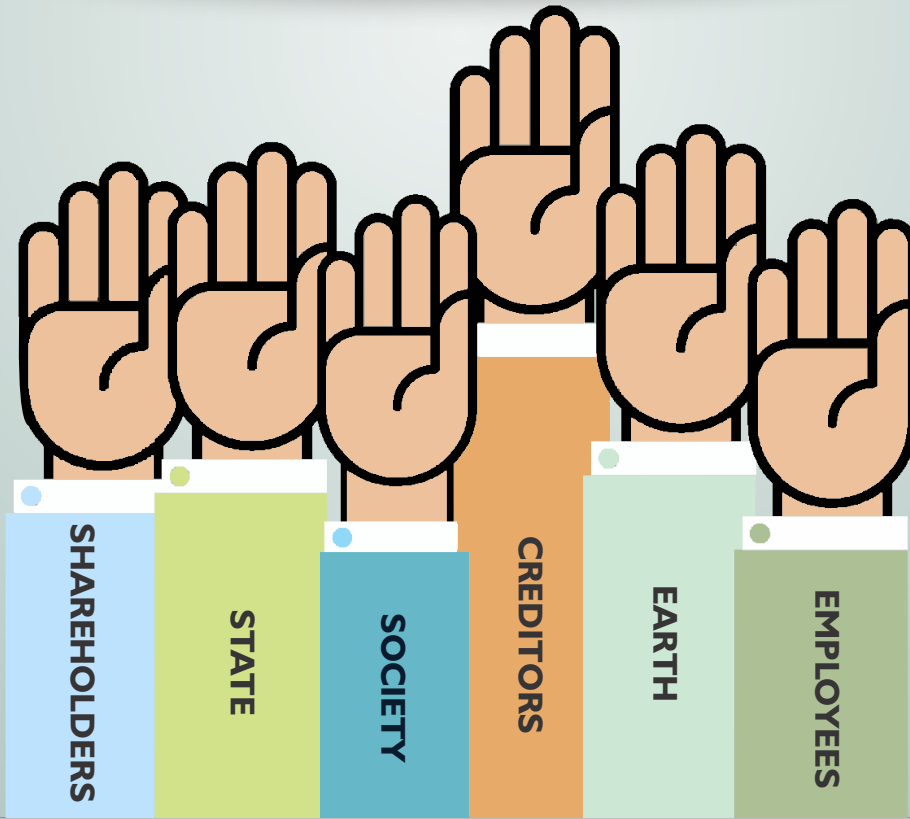
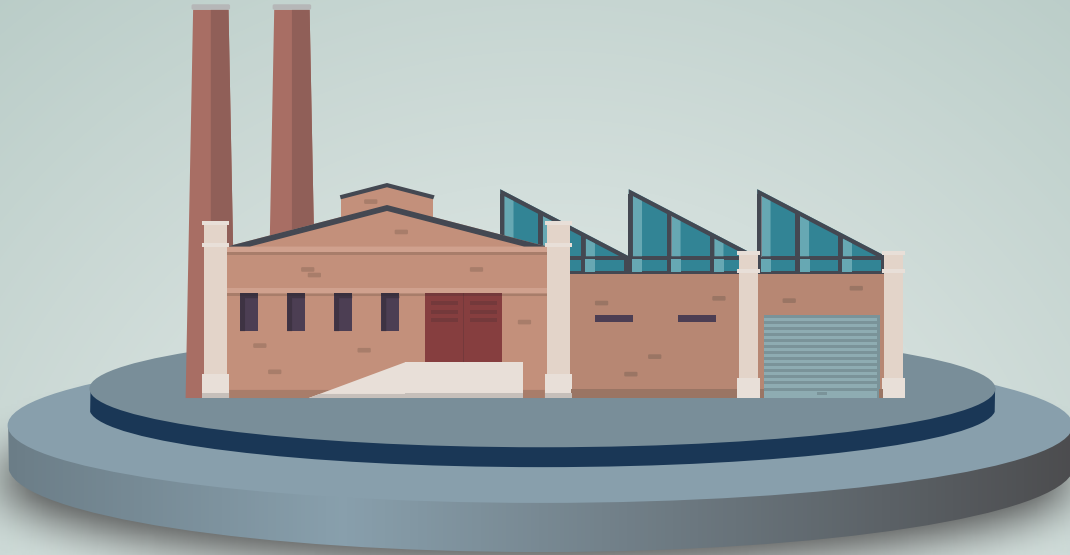
[www.ibbi.gov.in](http://www.ibbi.gov.in)

# Insolvency and Bankruptcy News

The Quarterly Newsletter of the Insolvency and Bankruptcy Board of India

July - September, 2019 | Vol. 12

## Whose company is it anyway?



# CONTENTS

|   |           |
|---|-----------|
| <b>From Chairperson's Desk</b> .....        | <b>02</b> |
| <b>IBBI Updates</b> .....                   | <b>03</b> |
| <b>Legal and Regulatory Framework</b> ..... | <b>04</b> |
| • Central Government                        |           |
| • Insolvency and Bankruptcy Board of India  |           |
| • Other Authorities                         |           |
| <b>Orders</b> .....                         | <b>07</b> |
| • Supreme Court                             |           |
| • High Courts                               |           |
| • National Company Law Appellate Tribunal   |           |
| • National Company Law Tribunal             |           |
| • Insolvency and Bankruptcy Board of India  |           |
| <b>Corporate Processes</b> .....            | <b>13</b> |
| • Insolvency Resolution                     |           |
| • Liquidation                               |           |
| • Voluntary Liquidation                     |           |
| <b>Service Providers</b> .....              | <b>19</b> |
| • Insolvency Professionals                  |           |
| • Information Utility                       |           |
| • Registered Valuers                        |           |
| • Complaints and Grievances                 |           |
| <b>Examinations</b> .....                   | <b>21</b> |
| • Limited Insolvency Examination            |           |
| • Valuation Examinations                    |           |
| <b>Building Ecosystem</b> .....             | <b>22</b> |
| <b>Advocacy and Awareness</b> .....         | <b>25</b> |

*"The Insolvency and Bankruptcy Code is success story of India's economic reforms."*

Hon'ble Vice President, Mr. M. Venkaiah Naidu at the inauguration of  
Insolvency Research Foundation on 2<sup>nd</sup> August, 2019

*"It is often difficult to tangibly measure the contribution of an efficient insolvency system in national prosperity. Direct measures of the impact tend to underestimate its importance as they may fail to account for the 'enabling' and 'preventive' role played by the insolvency system. While the sustainable impact of the IBC will be known in due course, green shoots have already emerged and some significant benefits of the IBC are visible."*

Economic Survey 2018-19, Ministry of Finance, Government of India

*"Financial gains from cleaning of the banking system are now amply visible. NPAs of commercial banks have reduced by over 1 lakh crore over the last year, record recovery of over 4 lakh crore due to IBC and other measures has been effected over the last four years, provision coverage ratio is now at its highest in seven years, and domestic credit growth has risen to 13.8%."*

Hon'ble Minister for Finance and Corporate Affairs, Mrs. Nirmala Sitharaman,  
in her Budget Speech on 5<sup>th</sup> July, 2019

Prepared by the Research Division of the Insolvency and Bankruptcy Board of India

(7<sup>th</sup> Floor, Mayur Bhawan, Shankar Market, Connaught Place, New Delhi-110 001). Suggestions, if any, may be mailed to [research@ibbi.gov.in](mailto:research@ibbi.gov.in)

# From Chairperson's Desk

## Whose Company Is It Anyway?

*The life of a company is as precious as that of a human. The Insolvency and Bankruptcy Code, 2016 has added a new lifeline to rescue a company when it experiences a serious threat to its life.*

A 'company' is a legal person having its own identity independent of its stakeholders. It has such rights and duties, powers and obligations, and relationship with stakeholders, as defined in its charter. The stakeholders have defined interests or rights in a company, and its property and management. The shareholders own shares of the company. However, no one, not even the shareholders, individually or collectively, own a company or any of its properties.

A company, having no mind of its own, acts through its immediate stakeholders. Each stakeholder, however, has a unique objective function, with a unique set of rights, interests, and level of engagement with the company. Consequently, the interests of one stakeholder may conflict with those of another and / or of the company. The stakeholders may work at cross purposes, and even against the interest of the company. Some of them leave the company at the earliest sign of its distress. Departure of a major shareholder often orphans the company.

A company has indefinite life by law. There is, however, a continuous threat to its life from the 'market'. Every other company is its predator - a company swallows another company for its own growth. A company takes too much of risk for its survival, which may become its nemesis. It loses business to others on account of competition. Creative destruction often destroys more companies than it creates!

The law provides a process to end a company's life under certain circumstances. The death of a company has become as easy as its birth, thanks to improved 'ease of doing business'. It is not surprising that the average life of S&P 500 companies has reportedly reduced from 90 years to 18 years over the last century. A company having perpetual succession now lives shorter than a human! The question arises: Whose company is it?

There are layers of trustees to protect the life of a company. A Board of Directors appoints and supervises the executive management and replaces it in case of its failure, in accordance with the contractual arrangements. The shareholders elect directors to the Board, monitor their performance and replace them if they fail to perform, in accordance with the provisions of the Companies Act, 2013. A promising set of shareholders may even replace the existing set through the market for corporate control. The creditors step in to rescue the company, when it fails to service debt, from its management and shareholders, in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 (Code).

A company must maintain a delicate balance to remain afloat. Among others, two balances are critical for its continued existence. First is the balance between limited liability and unlimited liability. The shareholders enjoy limited liability only because the society at large has underwritten unlimited liability. The society bears the brunt of unlimited liability such as those arising from Bhopal gas tragedy, Satyam fiasco, etc. A company cannot survive in the long run if it benefits one at the cost of another. A variety of institutions such as disclosures, independent directors, regulation of related

party transactions, protection of minority interest, limits on authority of trustees, key managerial personnel, auditors, taxes and subsidies, corporate social responsibility, etc., minimise conflict of interests of the stakeholders, subordinate the interests of immediate stakeholders to those of the company and establish precedence of interests of the society over those of the company.

The second is the balance between the present and future. A company is expected to serve the posterity forever with higher and higher prosperity. If it lives too much in the present, it may jeopardise its future and vice versa. It must survive competition and innovation to live longer. It must bear the full cost of business today. The strategies of resilience and adaptation such as research and development, risk management, sustainable business model, visionary leadership, preparedness for unknown unknowns, etc., minimise threat to the life of a company.

When a company fails to balance the present vis-à-vis future, it experiences financial distress to start with, which, if not addressed in time, may convert into economic distress, making the process irreversible. The Code empowers creditors, through an insolvency proceeding, to rescue a company before it is too late. The insolvency proceeding requires only a credible and capable person to take charge of the company, and a viable and feasible resolution plan to rescue it, to put the company on a sustainable path.

A resolution plan may entail a change of management, technology, or product portfolio; acquisition or disposal of assets, businesses or undertakings; restructuring of organisation, business model, ownership, or balance sheet; strategy of turn-around, buy-out, merger, amalgamation, acquisition, or takeover; and so on. It must, however, increase the value of the company, which is valued 100 today, to 110 the next year, 120 the year after and so on. It must also ensure that the value that exists today and that accrues tomorrow are shared by the stakeholders equitably.

The State provides a complete framework, including layers of trustees, incentives and motivations for them, norms for various balances, and mechanism for compliance with them, to keep a company in the pink of health. It, however, assigns the role of saviour to creditors, when a company experiences a serious threat to its life. They are duty bound to correctly detect distress of a company well in time, takeover its reins through an insolvency proceeding where they do not have a more efficient remedy, run it as a going concern, preserve its underlying value, visualise possible options for value enhancement, retrieve the value lost on account of irregular transactions, curtail the rights of stakeholders to the extent necessary, create a market for competing, feasible and viable resolution plans from capable and credible people, and approve the best of them that maximises the value of the company and balances the interests of all stakeholders. They must rescue a company irrespective of whose company it is.

(Dr. M. S. Sahoo)

# IBBI Updates

## Hindi Pakhwada

IBBI celebrated Hindi *Pakhwda* from 14<sup>th</sup> September 2019 to 30<sup>th</sup> September 2019. It conducted various activities during this period to popularise Hindi as the official language of the Union of India and to promote its use further in official work. The employees participated in various activities such as crossword puzzle, poem, stories and songs in Hindi with great enthusiasm and won prizes.



Celebration of Hindi Pakhwada, 27<sup>th</sup> September 2019

## Annual Report and Annual Accounts

In accordance with the Insolvency and Bankruptcy Board of India (Annual Report) Rules, 2018, and the Insolvency and Bankruptcy Board of India (Form of Annual Statement of Accounts) Rules, 2018, the Annual Report and Annual Accounts of the IBBI, for the year 2016-17, were laid before the Lok Sabha and the Rajya Sabha on 22<sup>nd</sup> July 2019 and 23<sup>rd</sup> July 2019, respectively.

## Human Resources

### Executive Director

Dr. Mamta Suri, Executive Director was repatriated to her parent organization, IRDAI on 16<sup>th</sup> August 2019 on completion of her tenure at IBBI.

Mr. Pawan K. Kumar took charge as Executive Director, IBBI on 17<sup>th</sup> August 2019. Mr. Kumar is an officer of 1990 batch of Indian Revenue Service. Immediately before joining IBBI, he was serving as Commissioner of Income Tax at Jalandhar with additional charge of Palampur in Himachal Pradesh. He has long experience in administration of income tax, including investigation and assessment. He served earlier as Director in the Ministry of Corporate Affairs (MCA). Mr. Kumar holds a Master's degree in Commerce from Delhi University and an M. Phil. from Commerce Department, Delhi School of Economics. He is also a member of Institute of Cost and Management Accountants of India.

## Employee Trainings and Workshops

IBBI organised the following workshops and training programmes for its officers:

| Date       | Nature of Programme / Subject                   | Faculty  |
|------------|---|--|
| 17-07-2019 | Session / Investor Awareness                    | Mr. Surya Kant Sharma, AMFI and Mr. Gurvinder Chadha, SBI Funds Management Private Limited |
| 20-07-2019 | Session / Irregular Transaction Review          | Mr. Vijaykumar V. Iyer, Partner, Deloitte Touche Tohmatsu India LLP                        |
| 10-08-2019 | Workshop / Cost Benefit Analysis of Regulations | FCO-UK, Ernst and Young, and Vidhi Centre for Legal Policy                                 |
| 06-09-2019 | Session / Drafting of Subordinate Legislation   | Mr. K.R. Saji Kumar, ED, IBBI  |



Irregular Transactions Review, 20<sup>th</sup> July 2019

The officers of IBBI attended the following workshops and training programmes:

| Date                   | Organised by  | Nature of the Programme / Subject                                    | No. of Officers |
|------------------------|---|--|-----------------|
| 24-08-2019             | IBBI and State Bank Institute of Credit and Risk Management | Workshop / Committee of Creditors: An institution of Public Trust    | 02              |
| 27-08-2019- 01-09-2019 | IICA  | Workshop / Commercial Mediation and Negotiation                      | 01              |
| 30-08-2019-31-08-2019  | IBBI  | Workshop / Forensic Audit and Valuation for Insolvency Professionals | 04              |
| 06-09-2019             | Indian Institute of Banking and Finance                     | Conference / Insolvency and Bankruptcy Code, 2016                    | 02              |



Workshop on Cost Benefit Analysis, 10<sup>th</sup> August 2019



Talk by Dr. Navroz Dubash, 30<sup>th</sup> July 2019

## Distinguished Speakers



Talk by Mr. Dan Edgar, 8<sup>th</sup> August 2019

The following distinguished speakers delivered talks and interacted with the officers of IBBI:

| Date     | Distinguished speaker  | Topic  |
|----------|--|--|
| 30-07-19 | Dr. Navroz Dubash, Professor, Centre for Policy Research   | Regulatory Challenges and An Indian Perspective  |
| 08-08-19 | Mr. Dan Edgar, Director, Inventory Appraisals, European Valuations                                   | Valuation  |
| 28-08-19 | Dr. Krishnamurthy Subramanian, Chief Economic Adviser, Ministry of Finance                           | Strategic Blueprint for US \$ 5 Trillion Economy |
| 29-08-19 | Dr. C. K. G. Nair, Member, Securities Appellate Tribunal   | From Organisation to Institution                 |
| 02-09-19 | Dr. Maguni Charan Behera, Director of Arunachal Institute of Tribal Studies, Rajiv Gandhi University | Tribal Indebtedness                              |
| 19-09-19 | Mr. A. C. C. Unni, Former Additional Secretary, Legislative Department                               | Legislative Drafting                             |
| 20-09-19 | Mr. Ajay Tyagi, Chairman, Securities and Exchange Board of India                                     | An Interface of Securities and Insolvency Regime |



Talk by Dr. Krishnamurthy Subramanian, 28<sup>th</sup> August 2019



Talk by Dr. C. K. G. Nair, 29<sup>th</sup> August 2019



Talk by Dr. Maguni Charan Behera, 2<sup>nd</sup> September 2019



Talk by Mr. A. C. C. Unni, 19<sup>th</sup> September 2019



Talk by Mr. Ajay Tyagi, 20<sup>th</sup> September 2019

### Fani Cyclone in Odisha

The employees of IBBI contributed Rs.2 lakh to the Chief Minister's Relief Fund (Odisha) for the rehabilitation of victims of the *Fani* cyclone that hit various parts of the State of Odisha in April, 2019.

## Legal and Regulatory Framework

### Central Government

#### The Insolvency and Bankruptcy Code (Amendment) Act, 2019

The Insolvency and Bankruptcy Code (Amendment) Act, 2019 came into force on 16<sup>th</sup> August 2019. The Amendment Act provides for the following:

- (a) A resolution plan may provide for restructuring of the corporate debtor (CD), including by way of merger, amalgamation, and demerger.

- (b) The Adjudicating Authority (AA) shall record its reasons in writing, where an application by a financial creditor (FC) for admission is not disposed of within the stipulated time.
- (c) A CIRP shall *mandatorily* be completed within 330 days, including any extension of time as well as any exclusion of time on account of legal proceedings. An ongoing CIRP, which has not been closed yet within 330 days, shall be completed within next 90 days.
- (d) An Authorised Representative shall vote for the FCs he represents in accordance with the decision taken by the class with more than 50% voting share of the FCs, who have cast their votes. This principle, however, shall not apply to voting on withdrawal of applications.
- (e) The operational creditors (OCs) shall be paid not less than the amount payable to them in the event of liquidation of the CD or the amount payable to them if realisations under the resolution plan were distributed in accordance with the priority in the liquidation waterfall, whichever is higher. The FCs who did not vote in favour of the resolution plan shall be paid not less than the amount payable to them under liquidation waterfall.
- (f) The committee of creditors (CoC) may approve a resolution plan after considering its feasibility and viability, and the manner of distribution of realisation under the plan, keeping in view priority of the creditors and their security interests.
- (g) A resolution plan approved by the AA shall be binding on Central Government, any State Government and any local authority to whom the CD owes debt under any law.
- (h) The CoC may decide to liquidate a CD at any time during CIRP, even before preparation of the information memorandum.

#### Constitution of Benches of NCLT

The President, NCLT, in exercise of its powers under section 419 of the Companies Act, 2013, vide order dated 25<sup>th</sup> July 2019 constituted the Principal Bench at New Delhi, 25 Division Benches at New Delhi, Ahmedabad, Allahabad, Bengaluru, Chandigarh, Chennai, Cuttack, Guwahati, Hyderabad, Kolkata, Jaipur, Kochi, and Mumbai, and one Single Bench at Amaravati, for the purpose of exercising and discharging the Tribunal's powers and functions.

#### Sub-Committee of the ILC

Government, vide order dated 16<sup>th</sup> August 2019, constituted a sub-committee of the Insolvency Law Committee (ILC) for the purpose of notifying Financial Services Providers (FSPs) under section 227 of the Insolvency and Bankruptcy Code, 2016 (Code), under the Chairmanship of Dr. M. S. Sahoo, Chairperson, IBBI. The sub-committee deliberated that from the perspective of insolvency resolution, the FSPs can be classified into three categories, namely, (a) that can be resolved under the Code, as it is, (b) that can be resolved under the Code, with certain modifications; and (c) that need to be resolved outside the Code.



Meeting of the Sub-Committee of ILC on 20<sup>th</sup> September 2019

#### Committee of Experts on Valuation Profession

Government, vide its order dated 30<sup>th</sup> August 2019, constituted a Committee of Experts (CoE) on valuation profession under the Chairmanship of Dr. M. S. Sahoo, Chairperson, IBBI. The other members of the CoE are: Mr. Prafulla Chhajed, President, ICAI; Mr. Balwinder Singh, President, ICMAI; Mr. Ranjeet Pandey, President, ICSI; Mr. B. Sriram, Former MD, IDBI Bank; Prof. R. Narayanaswamy, IIM, Bangalore; Mr. Ajay Bahl, Founding Partner, AZB & Partners; and Mr. Manoj Pandey, Joint Secretary, MCA. The terms of reference of the CoE include: (a) Institutional framework for regulation and development of valuation profession and its scope; (b) Regulatory architecture, including the extent of self-regulation and statutory regulation; (c) Governance of regulatory institutions; (d) Monitoring of the conduct and performance of valuers and disciplinary mechanism; and (e) Transitional arrangement for registered valuers and RVOs.



Meeting of the Committee of Experts on Valuation Profession on 14<sup>th</sup> September 2019

## Insolvency and Bankruptcy Board of India

### Insolvency Professionals Regulations

IBBI amended the IBBI (Insolvency Professionals) Regulations, 2016 on 23<sup>rd</sup> July 2019 to provide for the following:

- (a) An insolvency professional (IP) shall not accept or undertake any assignment as interim resolution professional, resolution professional, liquidator, bankruptcy trustee, authorised representative or any other role under the Code unless he holds an 'Authorisation for Assignment' (AFA) issued by his Insolvency Professional Agency. This would be effective from 1<sup>st</sup> January 2020.
- (b) An IP shall not engage in any employment when he holds an AFA or when he is undertaking an assignment. This would enable an individual to seek registration as an IP even when he is in employment. He must, however, discontinue employment when he wishes to have an AFA. He may surrender AFA when he wishes to take up employment.
- (c) Where an IP has conducted a CIRP, he and his relatives shall not accept any employment, other than an employment secured through open competitive recruitment, with, or render professional services, other than services under the Code to a creditor having more than ten percent voting power, the successful resolution applicant, the CD or any of their related parties, until a period of one year has elapsed from the date of his cessation from such process.
- (d) An IP shall not engage or appoint any of his relatives or related parties, for or in connection with any work relating to any of his assignment.

## Model Bye-Laws Regulations

IBBI amended the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2019 on 23<sup>rd</sup> July 2019 which provides that:

- (a) An Insolvency Professional Agency (IPA) shall issue/renew an AFA to IPs in accordance with its Bye-laws;
- (b) An IP shall be eligible to obtain an AFA if he has not attained the age of 70 years; and
- (c) An individual may serve as an independent director of an IPA till he attains the age of 75 years.

## Insolvency Resolution Process for Corporate Persons Regulations

IBBI amended the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2019 on 25<sup>th</sup> July 2019. The amendments specify the process for withdrawal of applications before constitution of CoC, after constitution of CoC but before issue of invitation for expression of interest, and after issue of invitation for expression of interest. These require that while approving a resolution plan or deciding to liquidate the CD, the CoC may: (a) approve a plan providing for contribution for meeting the liquidation costs, (b) recommend sale of the CD or sale of business of the CD as a going concern, and (c) fix, in consultation with the RP, the fee payable to the liquidator, if an order for liquidation is passed by the AA.

## Liquidation Process Regulations

IBBI amended the IBBI (Liquidation Process) Regulations, 2019 on 25<sup>th</sup> July 2019. The salient amendments are:

- (a) The amendments specify the process for (i) sale of CD as going concern, and (ii) sale of business of CD as going concern under liquidation. Where a CD is sold as a going concern, the liquidation process shall be closed without its dissolution.
- (b) The amendments require completion of liquidation process within one year of its commencement, notwithstanding pendency of applications for avoidance transactions. These provide a model timeline for each task in the liquidation process.
- (c) The amendments require the FCs, who are financial institutions, to contribute towards the liquidation cost, where the CD does not have adequate liquid resources to complete liquidation, in proportion to the financial debts owed to them by the CD, in case the CoC did not approve a plan for such contribution during corporate insolvency resolution process. However, such contribution along with interest at bank rate thereon shall form part of liquidation cost, which is paid in priority.
- (d) The amendments provide for constitution of a Stakeholders' Consultation Committee having representation from secured FCs, unsecured FCs, workmen and employees, government, other operational creditors, and shareholder/partners to advise the liquidator on matters relating to sale. However, the advice of this committee is not binding on the liquidator.
- (e) The amendments require that a stakeholder may submit its claim or update its claim submitted during the CIRP, as on the liquidation commencement date. Along with submission of claim, a secured creditor shall inform the liquidator of its decision to relinquish its security interest to liquidation estate or to realise its security interest.
- (f) The amendments have introduced a comprehensive compliance certificate to be submitted along with the final report to the AA.

## Information Utilities Regulations

IBBI amended the IBBI (Information Utilities) Regulations, 2017 on 25<sup>th</sup> July 2019 to provide as under:

- (a) An individual may serve as an independent director of an Information Utility (IU) till he attains the age of 75 years;
- (b) For verification of default, an IU shall deliver the information of default to the debtor seeking confirmation of the same and remind him at least three times for confirmation.

Thereafter, it shall record the status of authentication of information of default as under:

| Response of Debtor                                 | Status of Authentication   | Colour of Status |
|--|----------------------------|------------------|
| Debtor confirms the information of default         | Authenticated              | Green            |
| Debtor disputes the information of default         | Disputed                   | Red              |
| Debtor does not respond even after three reminders | Deemed to be authenticated | Yellow           |

- (c) An IU shall deliver information of default and issue reminders at the address of the debtor registered with it, recorded with any statutory repository as approved by the Board, or submitted in Form C. Vide circular dated 7<sup>th</sup> September 2019 IBBI has approved MCA 21 database of the MCA and the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) as the statutory repositories for this purpose.

## Continuing Professional Education Guidelines

An IP needs to continuously upgrade himself through Continuing Professional Education (CPE) to remain relevant and provide value added services. The IP Regulations accordingly provide that an IP shall undergo CPE to keep his registration valid. IBBI, in consultation with the IPAs, issued the IBBI (Continuing Professional Education for Insolvency Professionals) Guidelines, 2019 on 6<sup>th</sup> August 2019.

These Guidelines provide that an IP shall undertake a minimum of 10 credit hours of CPE each calendar year and a minimum of 60 credit hours of CPE in each rolling block of three calendar years. AFA shall not be issued or renewed to an IP who fails to comply with these Guidelines. These will come into force with effect from 1<sup>st</sup> January 2020. These shall not apply to IPs who have completed the age of 65 years.

## Valuation by Registered Valuers

IBBI had, vide circular dated 17<sup>th</sup> October 2018, directed that with effect from 1<sup>st</sup> February 2019, an IP shall not appoint a person other than a Registered Valuers (RV) to conduct any valuation under the Code or any of the regulations made thereunder. It reiterated, vide circular dated 13<sup>th</sup> August 2019, as under:

- (a) appointment of any person, other than a RV on or after 1<sup>st</sup> February 2019 to conduct any valuation required under the Code or any regulations made thereunder is illegal and amounts to violation of the Circular aforesaid; and
- (b) payment, whether as fee or otherwise, to any person, other than a RV for any valuation shall not form part of the insolvency resolution process costs or liquidation cost.

IBBI, vide circular dated 16<sup>th</sup> September 2019, listed the provisions of the Companies Act, 2013 and the Code under which valuations are required to be conducted by a RV for ready reference of the stakeholders.

## Filing of Forms on Electronic Platform

The Code casts obligations on an IP to (a) forward all records relating to the conduct of the CIRP and the resolution plan; and (b) submit a copy of the records of every proceeding before the AA, to the Board. In order to facilitate submission of records and information by IPs as well as for monitoring of the processes and performance of IPs, IBBI, in consultation with stakeholders and the IPAs, has devised a set of seven Forms. It has also developed, in consultation with the IPAs, an electronic platform for filing of

the Forms. It issued a circular on 14<sup>th</sup> August 2019 directing the IPs to file Forms, which have become due on or before 15<sup>th</sup> September 2019, by 30<sup>th</sup> September 2019 and those, which become due on or after 16<sup>th</sup> September 2019, by the timelines specified for respective Forms. It has, vide circular dated 30<sup>th</sup> September 2019, allowed filing of Forms, which are due on or before 30<sup>th</sup> September 2019 in respect of CIRPs, both closed and ongoing, by 15<sup>th</sup> October 2019. It has reiterated that the AFA shall be issued by the IPAs only to those IPs, who have filed all the Forms that have become due on the date of issue of authorisation.

#### **Appointment of Administrators Guidelines**

IBBI issued the 'Guidelines for Appointment of Insolvency Professionals as Administrators under the SEBI (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018' on 12<sup>th</sup> September 2019, in consultation with SEBI, to govern the preparation of a Panel of IPs for appointment as Administrators. These Guidelines would come into effect for appointments of Administrators with effect from 1<sup>st</sup> October 2019.

### **Other Authorities**

#### **Reserve Bank of India**

**External Commercial Borrowing:** The Reserve Bank of India (RBI), vide its circular dated 30<sup>th</sup> July 2019, relaxed the end-use restrictions of external commercial borrowings (ECBs). Accordingly, eligible borrowers can raise ECBs for the following purposes from recognised lenders, except foreign branches/overseas subsidiaries of Indian banks:

- (a) ECBs with a minimum average maturity period of 10 years for working capital purposes and general corporate purposes and by NBFCs for on-lending for these purposes;
- (b) ECBs with a minimum average maturity period of 7 years for repayment of Rupee loans availed domestically for capital expenditure as also by NBFCs for on-lending for the same purpose;
- (c) ECB for repayment of Rupee loans availed domestically for capital expenditure in manufacturing and infrastructure sector if classified as SMA-2 or NPA, under any one-time settlement with lenders. Lender banks can sell, through assignment, such loans to eligible ECB lenders.

**Secondary Market for Corporate Loans:** The Task Force on Development of Secondary Market for Corporate Loans, constituted by the RBI on 29<sup>th</sup> May 2019, submitted its report on 3<sup>rd</sup> September 2019. It has, inter-alia, recommended setting up of a Central Loan Contract Registry/Repository (CLCR) to serve as a 'one stop shop' for all the information about the loans which are proposed to be sold such as loan structure, loan servicing history, asset classification status, financial information about the borrower, key details about the project documents, status of the project, information about the borrower's group, etc. Additionally, information related to typical bid offer spreads on traded loans, which will help anchor price discovery for market participants, may also be published. The platform can maintain the entire data in a digitized form including indicative pricing, past trade data, etc. It suggested that instead of adopting any new mechanism for independent verification of the loan information, the database of IUs may be used for secondary loan market transactions. Keeping these in view, it observed that an IU may be better placed to establish the CLCR. It noted that the Digital Document Execution integrated with digital stamp duty payment and receipt (from SHCIL) is being launched by the IU, National E-Governance Services Limited (NeSL), towards dematerialization of financial contracts.

### **Competition Commission of India**

**Green Channel in Combination Regulations:** The Competition Commission of India (CCI) amended regulations on 15<sup>th</sup> August 2019 to provide a 'green channel' for automatic approval of a notifiable transaction. The parties to the combination may avail of the green channel where their respective group entities and/or entities in which they directly/indirectly hold shares or which they control (a) do not produce/provide similar or identical or substitutable product(s) or services(s); (b) are not engaged in any activity relating to production, supply, distribution, storage, sale and service or trade in product(s) or provision of service(s) which are at a different stage or level of the production chain; or (c) are not engaged in any activity relating to production, supply, distribution, storage, sale and service or trade in product(s) or provision of service(s) which are complementary to each other.

## **Orders**

### **Supreme Court**

#### **S3 Electricals and Electronics Private Limited Vs. Brian Lau & Anr. [Civil Appeal No. 103/2018 with Civil Appeal No. 835/2018]**

On the matter getting settled between the parties, the NCLAT closed the proceedings and directed that AA shall fix the fee of IRP for the period he has worked and that shall be borne by the CD. While noting the provisions of regulation 33 of the CIRP Regulations, the Supreme Court (SC) held: "A bare reading of regulation 33(3) indicates that the applicant is to bear expenses incurred by the RP, which shall then be reimbursed by the Committee of Creditors to the extent such expenses are ratified. We are informed that, in this case, no Committee of Creditors was ever appointed as the interim resolution process did not reach that stage. In these circumstances, it is clear that whatever the Adjudicating Authority fixes as expenses will be borne by the creditor who moved the application."

#### **State Bank of India Vs. M/s. Manibhadra Polycot & Ors. [Civil Appeal Nos. 4392-4393/2019]**

The NCLAT, vide its order dated 1<sup>st</sup> May 2019, excluded a period of 21 days from being counted as part of the 270 days period for a CIRP. These 21 days comprised three sets of (i) 7 days, (ii) 11 days and (iii) 3 days. The SC, while setting aside the impugned order of the NCLAT, held: "We are of the view that the first two sets of days, namely, 7 days and 11 days, cannot be excluded for the simple reason that they are not incurred in any litigation process."

#### **Pioneer Urban Land and Infrastructure Limited & Anr. Vs. Union of India & Ors. [WP(C) No.43/2019 and other petitions]**

While dismissing the various petitions filed by builders and upholding the constitutional validity of status of allottees as FCs, the SC made several important findings and rulings as under:

- (a) In real estate projects, money is raised from the allottees, against consideration for the time value of money. The amounts raised from allottees is subsumed within section 5(8)(f) even without adverting to the explanation introduced by the Amendment Act. The deeming fiction that is used by the explanation is to put beyond doubt the fact that allottees are regarded as FCs. The allottees/home buyers were included in the main provision, i.e., section 5(8)(f) with effect from the inception of the Code. The explanation was added in 2018 merely to clarify doubts that had arisen.
- (b) The provisions of RERA are in addition to and not in derogation of the provisions of any other law for time being in force. Further, Parliament was aware of RERA when it added explanation to section 5(8)(f) of the Code which came into force on 6<sup>th</sup> June 2018. Therefore, the Code as



amended, must be given precedence over RERA. Even by a process of harmonious construction, RERA and the Code must be held to co-exist, and, in the event of a clash, RERA must give way to the Code. The Code and RERA operate in completely different spheres. The Code deals with a proceeding in rem in which the focus is the rehabilitation of the CD by means of a resolution plan, so that the CD may be pulled out of the woods and may continue as a going concern, thus benefitting all stakeholders involved. On the other hand, RERA protects the interests of the individual investor in real estate projects by requiring the promoter to strictly adhere to its provisions.

- (c) The remedies under RERA to allottees are additional and not exclusive remedies. The allottees have concurrent remedies under the Consumer Protection Act, 1986, RERA as well as the triggering of the Code.

**Jignesh Shah & Anr. Vs. Union of India & Anr. [WP(C) No. 455/2019 with other CP, TP, CA and WP (C)]**

IL&FS had filed a winding up petition on 21<sup>st</sup> October 2016 against La-Fin before the Bombay High Court under section 433(e) of the Companies Act, 1956. As the Code came into force on 1<sup>st</sup> December 2016, the petition was transferred to the AA as a section 7 application. It was admitted on 28<sup>th</sup> August 2018. The NCLAT by an order dated 21<sup>st</sup> January 2019 dismissed the appeal against the admission order, agreeing with the AA that the bar of limitation would not be attracted as the petition was filed within three years of the date on which the Code came into force. The SC observed: “With the introduction of Section 238A into the Code, the provisions of the Limitation Act apply to applications made under the Code. Winding up petitions filed before the Code came into force are now converted into petitions filed under the Code. What has, therefore, to be decided is whether the Winding up Petition, on the date that it was filed, is barred by lapse of time. If such petition is found to be time-barred, then Section 238A of the Code will not give a new lease of life to such a time-barred petition.” It held that the petition filed on 21<sup>st</sup> October 2016 being beyond the period of three-years mentioned in Article 137 of the Limitation Act is time-barred and cannot, therefore, be proceeded with any further and set aside the impugned judgment of the NCLAT.

**Gaurav Hargovindbhai Dave Vs. Asset Reconstruction Company (India) Ltd. & Anr. [Civil Appeal No. 4952/2019]**

The account of the company was declared NPA on 21<sup>st</sup> July 2011. An application was filed under section 7 of the Code for initiation of CIRP on 3<sup>rd</sup> October, 2017. Applying Article 62 of the Limitation Act, which allows the limitation period of 12 years from the date on which the money suit has become due, the AA admitted the application. The NCLAT upheld the admission order following its earlier judgment that the time of limitation would begin running for the purposes of limitation only on and from 1<sup>st</sup> December 2016, when the Code came into force. While setting aside the orders of the AA and the NCLAT, the SC held: “...what is apparent is that Article 62 is out of the way on the ground that it would only apply to suits. The present case being “an application” which is filed under Section 7, would fall only within the residuary article 137”. Therefore, the application filed under section 7 is clearly time-barred.

**Committee of Creditors of Amtek Auto Limited through Corporation Bank Vs. Dinkar T. Venkatasubramanian & Ors. [Civil Appeal No(s). 6707/2019 and 7567-7569/2019]**

The resolution plan, which had consumed the time available under section 12 of the Code, has failed owing to nonfulfillment of the commitment by Liberty House. However, the SC noted that the recent Amendment Act permits resolution process to be completed within 90 days from the date of the commencement of the Amendment Act. It also noted that expression of interest had been indicated by eight other parties. It permitted the RP to invite fresh offers within a period of 21 days.

**Saravana Global Holdings Ltd. & Anr. Vs. Bafna Pharmaceuticals Ltd. & Ors. [Civil Appeal No(s). 5344/2019]**

The SC upheld the order of the NCLAT which had held:

“19. Admittedly, the 'Corporate Debtor' is a 'MSME' and the promoters are not ineligible in terms of Section 29A of the 'I&B Code'. Therefore, it is not necessary for the 'Committee of Creditors' to find out whether the 'Resolution Applicant' is ineligible in terms of Section 29A or not. ....

22. Therefore, we hold that in exceptional circumstances, if the 'Corporate Debtor' is MSME, it is not necessary for the Promoters to compete with other 'Resolution Applicants' to regain the control of the 'Corporate Debtor'.”

**Committee of Creditors through Punjab National Bank & Anr. Vs. Ravi Prakash Goyal & Ors. [Petition(s) for Special Leave to Appeal (C) No. 13755/2019]**

A director of the Bhushan Power & Steel Limited filed a writ petition before the High Court of Punjab & Haryana. The High Court (HC) disposed of the same on 18<sup>th</sup> April 2019, with the following directions :

“i) The issue raised by the present petitioner for providing all aforesaid documents and thereafter to convene a meeting of the CoC “afresh” to deliberate and consider the suggestions and objections of the erstwhile Board of Directors before passing any Resolution Plan (including CA No.286 of 2019) (P-19) will be treated as a preliminary issue.

ii) The preliminary issue will be decided by the Adjudicating Authority before considering other Applications or before approval of any Resolution Plan (CA No.254 of 2019)....”

The CoC filed an appeal before NCLAT seeking early disposal of matter (CIRP of Bhushan Bhushan Power & Steel Limited) pending before the AA since long. The judgement of the HC was brought to the notice of the NCLAT. The NCLAT, observed: “However, it is not clear as to how the Hon'ble Punjab & Haryana High Court, that too the vacation Bench had passed an order .... The records shows that the said writ petition was heard ex-parte and disposed of without notice to the Respondent - Punjab National Bank and others... it is not clear as to how the Punjab and Haryana High Court can pass an order, which has no territorial jurisdiction over Delhi, where Principal Bench of National Company Law Tribunal, New Delhi is situated, who is considering the matter.” It directed: “The Adjudicating Authority is supposed to decide the case on merit in accordance with law uninfluenced by any order except the decision of this Appellate Tribunal and the Hon'ble Supreme Court.”

The CoC approached the Supreme Court against the directions of the HC. The SC, vide order dated 3<sup>rd</sup> July 2018, stayed the judgement of the HC.

**Sagar Sharma & Anr. Vs. Phoenix ARC Pvt. Ltd. & Anr. [Civil Appeal No. 7673/2019]**

The SC reiterated that the date of coming into force of the Code is wholly irrelevant for triggering of any limitation period for the purposes of the Code. It observed that since applications under section 7 are petitions filed under the Code and do not purport to be an application to enforce any mortgage liability, Article 137 of the Limitation Act would apply to such applications. Accordingly, it set aside the judgment under appeal and directed that the matter be determined afresh.

## High Courts

**SSMP Industries Ltd. Vs. Perkan Food Processors Pvt. Ltd. [CS (COMM) 470/2016 & CC(COMM)73/2017]**

Section 14(1)(a) of the Code prohibits a proceeding which has the effect of endangering, diminishing, dissipating or adversely impacting the assets of the CD. The issue was whether counter claim is covered by moratorium under section 14 of the Code. The HC observed: “Section 14 has created a piquant situation i.e., that the corporate debtor undergoing insolvency proceedings can continue to pursue its claims but the counter claim would be barred under Section 14(1)(a). When such situations arise, the Court has to see whether the purpose and intent behind the imposition of moratorium is being satisfied or defeated. A blinkered approach cannot be followed and the Court

cannot blindly stay the counter claim and refer the defendant to the NCLT/RP for filing its claims.” It held: “... the Plaintiff's and the defendant's claim ought to be adjudicated comprehensively by the same forum. At this point, till the defence is adjudicated, there is no threat to the assets of the corporate debtor and the continuation of the counter claim would not adversely impact the assets of the corporate debtor. Once the counter claims are adjudicated and the amount to be paid/recovered is determined, at that stage, or in execution proceedings, depending upon the situation prevalent, Section 14 could be triggered.”

**Ved Prakash Abbot Vs. Kishore K. Avarsekar & Ors. [CONT.CAS (C) No.579/2017]**

The petitioner supplied building material for a project of the respondent. It filed a suit before the Trial Court for recovery of money due for the supplies made to respondent. A joint application for settlement was filed before the Court on 21<sup>st</sup> April 2017. The respondent failed to make payment as per settlement. It filed an application under section 10 of the Code, which was admitted, and an IRP was appointed on 20<sup>th</sup> June 2017. The trial court recorded a settlement between the parties and issued a compromise decree on 10<sup>th</sup> July 2017. The respondent again failed to make payment as per settlement. The IRP filed an application on 20<sup>th</sup> March 2018 that respondent could not be revived, and a liquidator be appointed. The petitioner filed a contempt petition before the HC against the key officers/directors for wilful disobedience of the settlement dated 21<sup>st</sup> April 2017 and compromise decree dated 10<sup>th</sup> July 2017. The HC observed that in order to hold a person guilty of civil contempt, it has to be established that the alleged contemner was guilty of a wilful breach or a wilful disobedience of a decree of any Court. In this case, the IRP can't break the queue and allow preferential treatment to the petitioner, over the other financial and operational creditors, to discharge their liability under the compromise decree. The disbursement of payments by the respondent to clear the liabilities towards its creditors, including the petitioner, is governed by the proceedings under the Code and thus the respondents are prevented by law to satisfy the decree in favour of the petitioner and there is no wilful disobedience of the compromise decree and hence the respondents cannot be punished for civil contempt. It further observed: “Any direction by this Court in contempt proceedings would virtually amount to overriding the proceedings under the IBC which are the appropriate proceedings for determining the settlement of claims of the petitioner in the order of priority amongst the list of claimants therein.”

## National Company Law Appellate Tribunal

**Standard Chartered Bank Vs. Satish Kumar Gupta, R. P. of Essar Steel Ltd. & Ors. [CA (AT) (Ins) No. 242/2019 and Ors.]**

While approving the resolution plan with modification, the NCLAT made several important findings and rulings as under:

(a) A Sub-Committee or Core Committee is unknown and against the provisions of the Code. The Code or Regulations do not empower the CoC to delegate any of its duties to Core Committee/Sub-Committee.

(b) The distribution of amount to the OCs and FCs and other stakeholders is to be made by the Resolution Applicant. The CoC has no role in the matter of distribution of amount amongst the creditors, including the FCs or OCs. The members of the CoC being interested parties are not supposed to decide the manner of distribution. The inter se distribution amongst the FCs and OCs cannot be held to be purely commercial in nature to be in the domain of the CoC.

(c) A huge discrimination has been made by the CoC in distribution of amount to the OCs qua FCs. Majority of the FCs have been allowed 99.19% of their claim amount, whereas 0% in favour of the OCs. Such distribution is not only discriminatory but also arbitrary.

(d) FCs cannot be discriminated on the ground of 'Secured' or 'Unsecured' for the purpose of distribution of amount realised under a resolution plan.

(e) The OCs can be classified in three different classes for determining the manner in which the amount is to be distributed to them. However, they are to be given the same treatment, if similarly situated.

(f) The distribution of amount to FCs and OCs during the CIRP cannot be equated with distribution to all stakeholders after the liquidation. Section 53 of the Code cannot be made applicable for distribution of amount under resolution plan amongst the stakeholders.

(g) Where the successful resolution applicant does not pay the total dues to the creditors (pays lesser amount than the claim), the profit generated during the CIRP should be distributed amongst all the FCs and OCs on pro-rata basis.

(h) Where the AA or the NCLAT could not decide the claim on merit, such claimants can raise the issue before an appropriate forum in terms of Section 60(6) of the Code. The FCs and OCs whose claims have been decided by the AA or the NCLAT, such decision being final is binding on all such FCs and OCs in terms of section 31 of the Code. Their total claims stand satisfied and, therefore, they cannot avail any remedy under section 60(6) of the Code.

**Saravana Global Holdings Ltd. & Anr. Vs. Bafna Pharmaceuticals Ltd. & Ors. [CA (AT) (Ins) No. 203/2019]**

The promoter of CD, which is an MSME, submitted resolution plan which was approved by the AA. The order of approval of resolution plan was challenged before the NCLAT on the ground that appellants were also interested to submit the resolution plan, and that the resolution plan was approved without complying with the provisions of the Code, as no prospective resolution applicants were invited. The NCLAT noted that the Parliament with specific intention amended the Code to allow the promoters of MSME to submit Resolution Plan. It observed: “The intention of the legislature shows that the Promoters of 'MSME' should be encouraged to pay back the amount with the satisfaction of the 'Committee of Creditors' to regain the control of the 'Corporate Debtor' and entrepreneurship by filing 'Resolution Plan' which is viable, feasible and fulfills other criteria as laid down by the 'Insolvency and Bankruptcy Board of India'. It held: “...in exceptional circumstances, if the 'Corporate Debtor' is MSME, it is not necessary for the Promoters to compete with other 'Resolution Applicants' to regain the control of the 'Corporate Debtor'.”

**Peter Johnson John (Employee) Vs. M/s KEC International Limited [CA (AT) (Ins) No. 188/2019]**

The issue for consideration before the NCLAT was whether in absence of adjudication of the foreign decree passed by a court in a non-reciprocating territory, the appellant was legally justified in seeking initiation of CIRP under section 9 of the Code against the CD. While dismissing the appeal, the NCLAT observed: “It is not disputed that such ex-parte decree of a foreign court would not be executable in India until adjudicated upon by a Civil Court in India within the ambit of Section 13 of CPC and having regard for the same, the Appellant has chosen to file suit before Hon'ble High Court of Bombay, which is still subjudice. Unless the decretal amount is adjudicated upon by the Hon'ble High Court of Bombay as a legally payable claim, the same would not constitute a “Debt” in the hands of Appellant - Operational Creditor and unless the debt is crystallized and payable in law, the issue of default would not be attracted.”

**Insolvency and Bankruptcy Board of India (IBBI) Vs. Shri Rishi Prakash Vats & Ors. [CA (AT) (Ins) No. 324/2019]**

The issue for consideration before NCLAT was whether the AA has jurisdiction to quash the disciplinary proceedings initiated by the IBBI. It held: “...once a disciplinary proceeding is initiated by the IBBI on the basis of evidence on record, it is for the Disciplinary Authority, i.e., IBBI to close the proceeding or pass appropriate orders in accordance with law. Such power having been vested with IBBI and in absence of any power with the Adjudicating Authority/ (National Company Law Tribunal), the Adjudicating Authority cannot

quash the proceeding, even if proceeding is initiated at the instance and recommendation made by the Adjudicating Authority/ National Company Law Tribunal.”

**NUI Pulp and Paper Industries Pvt. Ltd. Vs. M/s. Roxcel Trading GMBH [CA (AT) (Ins) No. 664/2019]**

The issue for consideration was whether before admission of an application filed under section 7 or 9, the AA can restrain the CD and its directors from alienating, encumbering or creating any third-party interest on the assets of the CD. The NCLAT noted that the AA can make any such order as may be necessary for meeting the ends of justice or to prevent abuse of the process of the Tribunal. It held: “...it is clear that once an application under Sections 7 or 9 is filed by the Adjudicating Authority, it is not necessary for the Adjudicating Authority to await hearing of the parties for passing order of 'Moratorium' under Section 14 of the 'I&B Code'. To ensure that one or other party may not abuse the process of the Tribunal or for meeting the ends of justice, it is always open to the Tribunal to pass appropriate interim order.”

**Axis Bank Ltd. Vs. Anuj Jain, RP for Jaypee Infratech Ltd. [CA(AT)(Ins)No. 243/2018 and others]**

The AA had allowed the application under sections 66, 43 and 45 of the Code and ordered that the mortgaged properties be vested with the CD. On appeal, the NCLAT noted that the mortgage(s) were made in favour of the Banks and Financial Institutions by the CD in the ordinary course of business. In absence of any contrary evidence to show that they were made to defraud the creditors of the CD or for any fraudulent purpose, it set aside the order of the AA.

**Punjab National Bank Vs. Mr. Kirah Shah, IRP of ORG Informatics Ltd. [CA (AT) (Ins) No. 749/2019]**

In the impugned order, the AA noted that no ground is given in the application showing the cause of replacement of the IRP. It expected that immediately after first meeting of the COC, it is supposed to prefer an application under section 22 which was not done in the case. The NCLAT held: “...we are of the view that the 'Committee of Creditors' is not required to record any reason or ground for replacing of the 'Resolution Professional', which may otherwise call for proceedings against such 'Resolution Professional'. ..... The 'Committee of Creditors' having decided to remove the 'Resolution Professional with 88% voting share, it was not open to the Adjudicating Authority to interfere with such decision, till it is shown that the decision of the 'Committee of Creditors is perverse or without jurisdiction.”

**Sukhbeer Singh Vs. Dinesh Chandra Agarwal (Resolution Professional), Maple Realcon Pvt. Ltd. & Ors. [CA (AT) (Ins) No. 259/2019]**

The proposal of promoters was not placed by RP before CoC on the ground that under section 12A, they, not being applicants, cannot file such application. While rejecting such objection the NCLAT held that it is the promoter who can settle the matter with creditors and submit such proposal to RP and that he is bound to place it before the CoC which is supposed to consider such application in the light of section 12A of the Code.

**Ilam Chand Kamboj Vs. M/s ANG Industries Ltd. [CA (AT) (Ins) No. 253/2019 and I.A. No. 995/2019]**

The RP filed an appeal against impugned order of the AA wherein it directed: “We are persuaded that, it would be appropriate to refer the matter to the IBBI, the body for regulating the functioning of the Resolution Professionals, to examine the actions of the Resolution Professional and taking suitable action.” The NCLAT observed that normally, the AA is not supposed to pass any adverse observations, even *prima facie*, against the RP, without giving an opportunity to him as to why in view of certain Act, the matter be not referred to IBBI. It held: “...the 'IBBI' cannot treat observations as made by the Adjudicating Authority, as referred to above, as final decision against the

Appellant, as the observation made, without granting any opportunity to the Appellant. Therefore, the 'IBBI' will hear the proceedings and decide on merit after hearing the 'Resolution Professional' and taking into consideration reply as may be submitted by the Appellant, uninfluenced by the observations made by the Adjudicating Authority as referred to above.”

**Committee of Creditors of Amtek Auto Ltd. through Corporation Bank Vs. Dinkar T. Venkatasubramanian & Ors. [CA (AT) (Ins) No. 219/2019]**

The NCLAT observed that the Code is silent as to whether the AA has any jurisdiction to pass any order referring a matter to the Central Government or IBBI for action under section 74(3) of the Code or under any of the provisions for punishment. It held: “...we are of the opinion that before referring any matter to the Insolvency and Bankruptcy Board of India or the Central Government, the Adjudicating Authority/ Tribunal is required to provide reasonable opportunity of hearing to the parties concerned/alleged offenders of provisions of Chapter VII of Part II and if satisfied may request the Central Government to investigate the matter by an Inspector or Inspectors and then to decide on such opinion whether to refer and lodge any case before the Special Judge for trial under Section 236 of the 'I&B Code' for alleged offence under Section 74(3) or any other provision under Chapter VII of Part II of the 'I&B Code' and for punishment under Section 447 of the Companies Act, 2013.”

**State Bank of India Vs. Moser Baer Karamchari Union & Anr. [CA (AT) (Ins) No. 396/2019]**

The AA by impugned order held that 'Provident Fund Dues', 'Pension Fund Dues' and 'Gratuity Fund Dues' cannot be part of section 53 of the Code. An FC filed an appeal on the ground that workmen's dues have the same meaning as assigned in section 326 of the Companies Act, 2013, which includes PF, pension and gratuity fund. The NCLAT held: “In terms of sub-section (4) (a) (iii) of Section 36, as all sums due to any workman or employees from the provident fund, the pension fund and the gratuity fund, do not form part of the liquidation estate/ liquidation assets of the 'Corporate Debtor', the question of distribution of the provident fund or the pension fund or the gratuity fund in order of priority and within such period as prescribed under Section 53(1), does not arise...”

**Excel Metal Processors Limited Vs. Benteler Trading International GMBH & Anr. [CA (AT) (Ins) No.782/2019]**

The question was whether the AA has jurisdiction to entertain an application under section 9 of the Code, where, as per the terms of an agreement between the parties, any suit or case was maintainable only in the court at Germany. The NCLAT held that CIRP is not a 'suit', a 'litigation' or a 'money claim' for any litigation and no one is selling or buying the CD. It is not a recovery or liquidation. It is a resolution process so that the CD does not default on dues. It held that the Appellant cannot derive advantage of the terms of the agreement reached between the parties.

**L&T Infrastructure Finance Company Ltd. Vs. Gwalior Bypass Project Ltd. & Ors. [CA (AT) (Ins) No. 676 & 677/2019]**

The issue was whether one FC can challenge the insolvency proceeding initiated by another FC on the ground that it has a superior claim. The NCLAT observed that the appellant as an FC of the CD has no right to intervene to oppose admission of the application under section 7 preferred by another FC. After admission of the application, if the appellant claims that it is one of the FCs, it can file claim before the RP, but it cannot challenge the order of admission on the ground that it has first charge on the asset of the CD or has superior claim over the claim of the other FCs.

**Mr. M. Srinivas Vs. Ramanathan Bhuvaneshwari & Ors. [CA (AT) (Ins) No. 498/2019]**

The RP brought to the notice of the AA that the promoters of the CD and its company defrauded many creditors. The AA issued certain directions, including a direction to the Central Government to refer the matter to the

SFIO for further investigation into the affairs of the CD, in exercise of its powers under section 213 of the Companies Act, 2013. The question for consideration was whether the AA has jurisdiction under section 213 of the Companies Act, 2013. The NCLAT held that the AA, which is the NCLT, has dual and interwoven role and power to pass order under section 213 of the Companies Act, 2013 read with Rule 11 of the National Company Law Tribunal Rules, 2016. It observed that if the AA is satisfied that there are circumstances suggesting that the business of a company is being conducted with intent to defraud its creditors, members or any other person or otherwise for a fraudulent or unlawful purpose or in a manner oppressive to any of its members, and that the affairs of the company ought to be investigated, after giving a reasonable opportunity of being heard to the parties concerned, it may refer the matter to the Central government for investigation into the affairs of the company.

**Andhra Bank Vs. Sterling Biotech Ltd. (Through the Liquidator) & Ors. [CA (AT) (Ins) No. 612/2019 and others]**

The AA rejected an application under section 12A of the Code, which was filed at the instance of the promoter and approved with more than 90% voting share of the CoC on the ground that the promoter was not eligible to file the resolution plan under section 29A. The issue before the NCLAT was whether section 29A of the Code, which makes a person ineligible to submit a resolution plan, is applicable to the applicant, if it intends to withdraw the petition under section 7 or 9, if the CoC approves it with 90% voting share in terms of section 12A. The NCLAT held that the application under section 12A having been approved by the CoC with more than 90% of the voting share, it was not open to the AA to reject the same and that too on a ground of ineligibility under section 29A, which is not applicable.

**Securities and Exchange Board of India Vs. Assam Company India Ltd. & Ors. [CA (AT) (Ins) No. 629/2018]**

SEBI passed an interim order against the CD under sections 11, 11(4), 11A and 11B of the Securities and Exchange Board of India Act, 1992, *inter alia*, directing: "...the shares held by the promoters and directors in ACIL shall not be allowed to be transferred..". However, the AA approved the resolution plan for the CD providing for delisting of its equity shares. SEBI contended before the NCLAT that delisting of securities in the resolution plan is clearly an attempt to wriggle out of the jurisdiction of and proceedings instituted by it and the resolution plan involving delisting of equity shares ought not to be proceeded without hearing SEBI. The NCLAT held: "*The interim order passed by SEBI (Appellant) does not amount to any existing law, to attract Clause (e) of Section 30(2) of the I&B Code, therefore, the Appellant cannot take plea that the approved Resolution Plan is in contravention of any law for the time being in force.*" It, however, clarified: "...the order passed by the Adjudicating Authority or this Appellate Tribunal will not come in the way of the SEBI or any competent authority to take steps against erstwhile Promoters, Directors or Officers or others, if any or all of them had violated any of the provisions under SEBI Act or rule framed thereunder or any other law as may be taken against such person of listed company."

**Union of India & Anr. Vs. Videocon Industries Ltd. & Ors. [CA (AT) (Ins) No. 408/2019]**

Ministry of Petroleum and Natural Gas issued a notice demanding payment towards the unpaid Government share of Profit Petroleum. The AA directed the Government not to press demand notice as long as moratorium is applicable to the CD. The NCLAT held: "...the Adjudicating Authority rightly stayed demand notice dated 22<sup>nd</sup> October, 2018 during the pendency of the resolution process as long as the 'Moratorium' is applicable on the 'Corporate Debtor'. The Adjudicating Authority rightly held that the Ministry of Petroleum can lodge its claim for any legally enforceable right of recovery through 'Resolution Professional', thereby not rendered it remediless."

**Sagar Sharma & Another Vs. Phoenix ARC Private Limited [CA (AT) (Ins) No. 177/2019]**

The issue before the NCLAT was whether the claim of the appellant was barred by limitation. The immovable property of the CD was mortgaged in favour of the FC by a deed of mortgage. Thereafter, by an 'assignment agreement' the debt payable by the CD was assigned on 11<sup>th</sup> September 2014. The NCLAT held: "*The 'Financial Creditor' has right to get immovable property mortgaged and thereafter may transfer the mortgage assets for a valuable consideration for which 12 years of limitation has been prescribed for filing a suit relating to immovable property under Article 61 of Part V of the First Division of the Schedule of Limitation Act. Therefore, we hold that the claim of the 1st Respondent is not barred by limitation.*"

**Mr. Hemang Phopalia Vs. The Greater Bombay Co-operative Bank Limited & Anr. [CA (AT) (Ins) No. 765/2019]**

The issue is whether an application under section 7 or 9 for initiation of CIRP is maintainable against a CD, if its name has been struck-off from the Register of the Companies. The NCLAT held: "...the Adjudicating Authority who is also the Tribunal is empowered to restore the name of the Company and all other persons in their respective position for the purpose of initiation of 'Corporate Insolvency Resolution Process' under Sections 7 and 9 of the I&B Code based on the application, if filed by the 'Creditor' ('Financial Creditor' or 'Operational Creditor') or workman within twenty years from the date the name of the Company is struck off under sub-section (5) of Section 248."

**M/s ICICI Bank Ltd. Vs. Mr. Gopalsamy Ganesh Babu, Insolvency Professional M/s. Subburaj Spinning Mills Pvt. Ltd. [CA (AT) (Ins) No. 655/2019]**

Since the appellant filed its claim on 21<sup>st</sup> December 2018 after the resolution plan was approved by the CoC on 17<sup>th</sup> December 2018, the RP could not include it. The AA approved the resolution plan on 12<sup>th</sup> March 2019. However, the appellant had moved the Subordinate Court in respect of the same claim in 2008 and the matter remained pending because of moratorium. The NCLAT held that since the moratorium has expired, the appellant may pursue the suit pending before the Subordinate Court in the light of section 60(6) of the Code.

**Jet Airways (India) Ltd. (Offshore Regional Hub/ Office), Holland Vs. State Bank of India & Anr. [CA (AT) (Ins) No. 707/2019]**

The NCLAT, vide order dated 4<sup>th</sup> September 2019, held that the IRP is required to collate the claim of all offshore creditors, and take control and custody of the assets of the CD situated outside India (in Holland) or other places. However, for giving it effect, the RP is required to reach an arrangement or agreement with the Administrator appointed pursuant to the proceeding initiated in Holland.

The NCLAT, vide order dated 26<sup>th</sup> September 2019, directed use of certain elements of cross border insolvency in the form of 'Cross Border Insolvency Protocol' agreed to between the Administrator of Jet Airways (India) Limited (Offshore Regional Hub) and the Resolution Professional of Jet Airways (India) Limited. The Protocol recognises that the company being an Indian company with its centre of main interest in India, the Indian Proceedings are the main insolvency proceedings and the Dutch Proceedings are the non-main insolvency proceedings. It maintains the independent jurisdiction, sovereignty, and authority of NCLT, NCLAT and Dutch Bankruptcy Court. The NCLAT observed that the 'Cross Border Insolvency Protocol' shall be treated as its direction. It further directed that the Dutch Trustee shall be invited to participate in the meetings of the CoC as an observer but shall not have a right to vote in such meetings.

**Edelweiss Asset Reconstruction Company Limited Vs. Sachet Infrastructure Pvt. Ltd. [CA (AT) (Ins) No. 377/2019 and others]**

The NCLAT set aside the impugned order dated 7<sup>th</sup> March 2019 which failed to appreciate the relevant fact that in the facts and circumstances, a group insolvency is to be initiated and in the absence of simultaneous CIRP against five CDs, the project would not be the complete. It directed that the AA will

admit the applications under section 7 filed against by five CDs and appoint a common Resolution Professional and the project will be completed in one go by initiating a consolidated Resolution Plan.

## National Company Law Tribunal

### Royal Splendour Developers (P) Ltd. [MA/70/2019 in CP/628/IB/CB/2017]

The RP filed an application for approval of resolution plan, which the CoC had not approved with requisite majority by CoC. The AA noted that the home buyers have been stuck and they are not in a position of getting the half-built houses completed through the resolution plan. It observed: "...the Bank of India which has 24.97%, though present in the CoC meeting at the time of voting, for the reasons best known to them, the Banker did not vote for or against the resolution placed before CoC. ...Not taking any decision in respect to the resolution come before the CoC is nothing but dereliction of the duties of the Banker (Bank of India) which has not allowed this Bench to take any decision over this plan. If at all they have any better proposal than the proposal come from the resolution applicant, they would have placed it before the CoC or before this Bench, that has also not happened." It lamented: "I regret to mention that this Resolution Professional has not taken proper steps to initiate actions against the Promoter-Directors as contemplated under the Code...". It hoped that at least Bank of India as well as the RP would take immediate steps to assist the Bench in deciding the resolution plan.

### Alchemist Asset Construction Co. Ltd. Vs. Moser Baer India Limited [CA-769(PB)/2019 in C.P. No. IB-378(PB)/2017]

An application was filed by the Liquidator under regulation 33(2)(d) of the IBBI (Liquidation Process) Regulations, 2016 for taking prior permission to sell the assets of the CD by means of a private sale. The issue before the AA was whether all the requirements of clauses (a) to (d) of regulation 33(2) are required to be fulfilled to sell the assets. It held: "To our mind the proper interpretation on clauses (a) & (b) would be that a liquidator is entitled to sell the assets without requirement of prior permission after reaching the conclusion that the assets are perishable and it is likely to deteriorate significantly in value if not sold immediately. Otherwise the purpose of regulation would be defeated if the time is required to be spent in filing an application and taken permission because the assets which are perishable may not remain available for sale and perish or it may deteriorate significantly in value if not sold immediately." However, the assets to be sold at a price higher than the reserve price of a failed auction have to be sold with the prior permission of the AA.

### Bank of India Vs. Basic India Ltd. [(IB)-397(PB)/2018]

The RP filed an application seeking direction to the Ex-Director/Promoter not to leave the country without permission of the AA and to impound their passports. The AA directed certain persons not to leave the country without prior permission of the tribunal. It granted liberty to the RP to move appropriate application to the passport authorities under section 10 or section 10A of the Passport Act, 1967 for impounding the passports.

### In the matter of M/s. Sai Regency Power Corporation Private Limited [MA/872/2019 in IBA/92/2019]

The RP filed an application stating that some CoC members, after approval of resolution for interim finance, by 75% voting share, are reluctant to release the comfort letter to the lead bank which is willing to disburse the interim finance. The AA observed that all members of the CoC are bound by the resolution approved by it with requisite majority. It directed the members of the CoC, including M/s Edelweiss Asset Reconstruction Company Limited and Axis Bank, to release the comfort letter within 24 hours, after noting that the CD is a going concern with 100 employees and it would come to a grinding halt if interim finance is not released.

### State Bank of India & Anr. Vs. Videocon Industries Limited & Ors. [MA 1306/2018 & Ors. CP 543/2018 & Ors.]

There were applications demanding and opposing consolidation of proceedings. The AA observed that a blanket view is not possible to declare that the entire Group is fit to be consolidated simply being connected or controlled by common management. Each unit or subsidiary should be examined on its merits. Many factors need to be considered to distinguish the units in two categories:

"a. A category/ classification of those cases can be made where the business operations are so dove-tailed that their management, deployment of staff, production of goods, distribution system, arrangement of funds, loan facilities etc. are so intricately interlinked that segregation may result in an unviable solution. Over and above, most important is that if segregated, the possibility of restructuring or the option of maximisation of value of assets become so bleak which shall overweigh the consolidation.

b. The other category/ classification can be of such group cases where the accounts are interlinked and due to the existence of debt agreement, the liabilities have become common but assets are identifiable. Hence, on segregation the independent structure of each unit shall survive which shall also result into viable profitable restructuring proposals. Therefore, in this category of cases, although for the limited purpose of signing of certain documents through which loan facilities might have been commonly availed but that can be segregated so that the assets and liabilities are identifiable separately thus facilitating a good investor."

Keeping in view the facts and circumstances, the AA ordered that the assets and liabilities of 13 Videocon companies should be substantively consolidated due to common control, common directors, common assets, common liabilities, interdependence, interlacing of finance, co-existence for survival, pooling of resources, intertwined accounts, interloping of debts, singleness of economics of units, common financial creditors and common group of corporate debtors.

### State Bank of India Vs. Sungrowth Shares & Stocks Limited [CP(IB)No. 796/KB/2018]

The AA considered the issue as to whether application under section 7 of the Code can be considered against a corporate guarantor of the CD whose resolution plan has already been approved. It held that the principal debtor is discharged under the Code due to operation of law, i.e., approval of resolution plan, but not on the instance of a creditor and that the guarantor is not discharged of its liability merely because the creditor consented to a resolution plan of the principal debtor (CD). Accordingly, it admitted the application to initiate CIRP against corporate guarantor to principal debtor.

### Col. Sanjeev Dalal Vs. International Recreation & Amusement Limited [CA-1084(PB)/2018 in C.P. No. IB-297(PB)/2018] (Order of May 13.05.2019)

The AA, in its order dated 2<sup>nd</sup> August 2019, held that the claim of the FCs can be accepted by the RP even when the resolution is pending for its consideration, as the delay in filing of claims is not intentional and many applicants were unaware of CIRP and filing of claims.

For the purpose of assigning voting share of allottees in various classes, the RP applied a common rate of interest of 8% irrespective of the rate of interest claimed by the allottees, relying on regulation 16A(7) of the CIRP Regulations. After perusing the provisions in the Code, the AA, in its order dated 13<sup>th</sup> May 2019, concluded that the IBBI is empowered to frame regulations to provide the manner of voting and determining the voting share in respect of financial debts under section 21(7) of the Code.

### Shri Krishna Agri Projects Private Limited Vs. Feedatives Pharma Private Limited [CA(IB) No. 194/KB/2019, 964 & 848/KB/2019 in CP (IB) No. 187/KB/2018]

While approving the resolution plan, which was earlier approved by the CoC

with 100% voting share, the AA observed: *“The CoC has expressed its gratitude to the resolution professional for his hard work and congratulated him for his efforts to complete the CIRP within the extended period of 270 days. We also do not find any adverse remarks against the resolution professional but would like to endorse the view expressed by the CoC as this is a unique case wherein a Farm dealing with Poultry has been successfully run by him enabling him to get a resolution applicant to take over the assets above the fair market value and the financial creditors have voted the resolution plan with 100%.”*

**In the matter of M/s. White & Brown Alloy Castings Private Limited [C.P. (IB) No. 947/KB/2018]**

The RP filed an application under sections 66 and 67 of the Code against the Promoter and Director of the CD. The AA observed: *“The audacity of the Respondent firstly to withdraw the amount from the account of the CD and branding the same as having been utilized for the benefit of the Company is another violation of the orders of this Tribunal which needs to be reprimanded and taken note of.”* It issued various directions, including a direction to IBBI to initiate prosecution if any under section 69 of the Code.

**Biostadt India Ltd. Vs. Sonachi Industries Ltd. [C.P. (IB) 1479/(MB)/2017 and MAs]**

The AA observed that by submission of the claim to the Liquidator, there remains no need for taking consent of the FC regarding willingness to relinquish the security or not. It noted that the Liquidator after receiving the claim has further sent an email asking the FC to confirm whether it is relinquishing security or not, and the FC failed to send the reply within the stipulated time. It held: *“By submitting its claim to the liquidator, and not informing him that he is not relinquishing his security interest, the secured creditor has lost its right to opt for not relinquishing its security interest. In the circumstances, there remains no reason to give further liberty to the secured creditor to exercise its option regarding his willingness to relinquish his security or not.”*

**Super Print Services Vs. M/s. Xalta Food and Beverages Pvt. Ltd. [(IB)-702/ND/2018]**

The AA noted that some members of the CoC have not contributed towards the CIRP costs. It observed that it would be necessary and expedient to issue show cause why their claim should not be rejected if they do not contribute towards the share of the CIRP costs proportionate to their claim.

**State Bank of India Vs. Jet Airways (India) Ltd. [MA 2955/2019 in C.P.(IB)-2205/(MB)/2019]**

The application had been filed by the RP seeking direction against the CoC to sanction and disburse funds towards interim finance since he was facing tremendous hardship in running the CD as a going concern due to non-availability of funds to meet essential costs. The AA held: *“It is pertinent to mention that Resolution Professional is duty bound to maintain Corporate Debtor as going concern. CoC has approved to arrangement of interim finance of 63 Crores. However, some of the members of the CoC has not yet sanctioned interim finance. In the circumstance, we have passed an Order that the members of the CoC who have sanctioned Interim finance, they should make an available fund to the Corporate Debtor immediately and we further direct to other members of CoC to sanction and make the payment within 15 days to those persons.”*

## Other Authorities

**M/s. PMT Machines Vs. The Deputy Director, Directorate of Enforcement, Delhi [FPA-PMLA-2792/DLI/2019]**

The Enforcement Directorate attached the assets of M/s. PMT Machines, which was confirmed by the Adjudicating Authority under the Prevention of

Money Laundering Act, 2002 (PMLA) vide its order dated 20<sup>th</sup> November, 2018. The Appellate Tribunal under the PMLA noted that the mortgaged properties were acquired much prior to the date of alleged offence. The date of charge of properties are also much prior to the date of alleged offence committed. It also noted that the mortgaged property of the Appellant Bank cannot be attached or confiscated unless link and nexus directly or indirectly established and there is no illegality or unlawfulness in the title of the Appellant Bank and there is no charge of money laundering against the Appellant. The Appellate Tribunal observed: *“It is imperative to bear in mind that the intention and objective of the legislature while legislating the Prevention of Money Laundering Act, 2002 (“PMLA”) was to deprive the offender (of money-laundering), the enjoyment of “illegally acquired” fruits of crime by taking away his right over property acquired through such means, and to obviate the threat of money laundering to the financial system of the country. The IBC on the other hand, has been enacted with the objective of consolidating and amending the laws “relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interest of all the stake holders including alteration in the order of priority of payment of government dues.”* While quashing the attachment order, it held that the Enforcement Directorate is not precluded to attach other private properties and all other assets of the alleged accused.

## IBBI

**In the matter of Registration of RV (Order dated 6<sup>th</sup> July 2019)**

Rule 4 read with Annexure IV of the Companies (Registered Valuers and Valuation) Rules, 2017 require that an individual must possess a degree in Civil Engineering, among others, registration as a Registered Valuer (RV) in the asset class 'Land and Building' (L&B). The applicant, who has a Bachelor of Engineering (Agriculture), claimed that the Bachelor of Engineering in Agriculture and the Bachelor of Engineering in Civil Engineering have similar subjects and, therefore, are equivalent of each other. Hence, he is entitled to registration as RV.

In view of the unambiguous language in the Rules that explicitly specify the discipline required for the asset class L&B, the Board took a view that the applicant does not have the required qualification for registration as an RV and therefore, rejected the application.

**Mr. Tapas Mallik erstwhile Insolvency Professional (Order dated 17<sup>th</sup> July 2019)**

The Board took a prima facie view that Mr. Mallik, who did not have a valid registration as an IP at the relevant time, rendered services as an IP, in contravention of section 206 of the Code.

However, Mr. Mallik submitted that he had given his consent on 7<sup>th</sup> February 2017 to serve as an IRP, while he had a valid registration, which was to expire on 30<sup>th</sup> June 2017. However, he was appointed as IRP by the AA vide its order dated 14<sup>th</sup> November 2017. The Board noted that despite making it clear that he did not have a valid registration as an IP, he was made to serve as the IRP. In such circumstances, the Board found it difficult to hold him liable for contravention of section 206 of the Code.

# Corporate Processes

The data used in this section relating to corporate processes are provisional. These are getting revised as further information is received from IPs or the information in respect of a process changes. For example, a process may ultimately yield an order for liquidation even after approval of resolution plan or may ultimately yield resolution plan even after an order for liquidation.

## Insolvency Resolution

Since the coming into force of the provisions of CIRP with effect from 1<sup>st</sup> December 2016, 2542 CIRPs have commenced by the end of September 2019, as presented in Table 1. Of these, 186 have been closed on appeal or review or settled; 116 have been withdrawn; 587 have ended in orders for liquidation and 156 have ended in approval of resolution plans. Sectoral distribution of CDs under CIRP is presented in Table 2.

**Table 1: Corporate Insolvency Resolution Process** (Number)

| Quarter           | CIRPs at the beginning of the Quarter | Admitted     | Closure by              |                              |                             |                             | CIRPs at the end of the Quarter |
|-------------------|---------------------------------------|--------------|-------------------------|------------------------------|-----------------------------|-----------------------------|---------------------------------|
|                   |                                       |              | Appeal/ Review/ Settled | Withdrawal under Section 12A | Approval of Resolution Plan | Commencement of Liquidation |                                 |
| Jan - Mar, 2017   | 0                                     | 37           | 1                       | 0                            | 0                           | 0                           | 36                              |
| Apr - Jun, 2017   | 36                                    | 129          | 8                       | 0                            | 0                           | 0                           | 157                             |
| July - Sept, 2017 | 157                                   | 233          | 18                      | 0                            | 2                           | 8                           | 362                             |
| Oct - Dec, 2017   | 362                                   | 147          | 38                      | 0                            | 7                           | 24                          | 440                             |
| Jan - Mar, 2018   | 440                                   | 195          | 20                      | 0                            | 11                          | 59                          | 545                             |
| Apr - Jun, 2018   | 545                                   | 246          | 20                      | 1                            | 14                          | 52                          | 704                             |
| Jul - Sept, 2018  | 704                                   | 243          | 30                      | 27                           | 29                          | 87                          | 774                             |
| Oct - Dec, 2018   | 774                                   | 275          | 8                       | 36                           | 17                          | 82                          | 906                             |
| Jan - Mar, 2019   | 906                                   | 374          | 20                      | 19                           | 22                          | 86                          | 1133                            |
| Apr - Jun, 2019   | 1133                                  | 294          | 14                      | 19                           | 27                          | 93                          | 1274                            |
| Jul - Sept, 2019  | 1274                                  | 369          | 9                       | 14                           | 27                          | 96                          | 1497                            |
| <b>Total</b>      | <b>NA</b>                             | <b>2542*</b> | <b>186</b>              | <b>116</b>                   | <b>156**</b>                | <b>587</b>                  | <b>1497</b>                     |

\*These CIRPs are in respect of 2538 CDs.

\*\*This excludes 5 resolutions which have since yielded liquidation.

Source: Compilation from website of the NCLT

**Table 2: Sectoral Distribution of CDs under CIRP as on 30<sup>th</sup> September 2019**

| Sector  | No. of CIRPs |             |             |
|---|--------------|-------------|-------------|
|   | Closed       | Ongoing     | Total       |
| <b>Manufacturing</b>                                  | 450          | 593         | 1043        |
| Food, Beverages & Tobacco Products                    | 41           | 87          | 128         |
| Chemicals & Chemical Products                         | 48           | 50          | 98          |
| Electrical Machinery & Apparatus                      | 41           | 46          | 87          |
| Fabricated Metal Products                             | 31           | 33          | 64          |
| Machinery & Equipment                                 | 48           | 70          | 118         |
| Textiles, Leather & Apparel Products                  | 79           | 92          | 171         |
| Wood, Rubber, Plastic & Paper Products                | 48           | 71          | 119         |
| Basic Metals  | 82           | 101         | 183         |
| Others  | 32           | 43          | 75          |
| <b>Real Estate, Renting &amp; Business Activities</b> | 201          | 299         | 500         |
| Real Estate Activities                                | 28           | 87          | 115         |
| Computer and related activities                       | 28           | 37          | 65          |
| Research and development                              | 2            | 1           | 3           |
| Other business activities                             | 143          | 174         | 317         |
| <b>Construction</b>                                   | 88           | 186         | 274         |
| <b>Wholesale &amp; Retail Trade</b>                   | 117          | 133         | 250         |
| Hotels & Restaurants                                  | 27           | 39          | 66          |
| Electricity & Others                                  | 22           | 47          | 69          |
| Transport, Storage & Communications                   | 30           | 42          | 72          |
| Others  | 110          | 158         | 268         |
| <b>Total</b>  | <b>1045</b>  | <b>1497</b> | <b>2542</b> |

Note- The distribution is based on the CIN of CDs and as per the National Industrial Classification (NIC 2004)

The distribution of stakeholders, who triggered resolution process, is presented in Table 3. OCs triggered 48.5% of the CIRPs, followed by about 43% by FCs and remaining by the CDs.

**Table 3: Initiation of Corporate Insolvency Resolution Process**

| Quarter          | No. of CIRPs Initiated by |                    |                  |             |
|------------------|---------------------------|--------------------|------------------|-------------|
|                  | Operational Creditor      | Financial Creditor | Corporate Debtor | Total       |
| Jan - Mar, 2017  | 7                         | 8                  | 22               | 37          |
| Apr - Jun, 2017  | 58                        | 37                 | 34               | 129         |
| Jul - Sept, 2017 | 100                       | 94                 | 39               | 233         |
| Oct - Dec, 2017  | 67                        | 66                 | 14               | 147         |
| Jan - Mar, 2018  | 89                        | 84                 | 22               | 195         |
| Apr - Jun, 2018  | 129                       | 99                 | 18               | 246         |
| Jul - Sept, 2018 | 132                       | 95                 | 16               | 243         |
| Oct - Dec, 2018  | 153                       | 106                | 16               | 275         |
| Jan - Mar, 2019  | 166                       | 187                | 21               | 374         |
| Apr - Jun, 2019  | 154                       | 127                | 13               | 294         |
| Jul - Sept, 2019 | 177                       | 183                | 9                | 369         |
| <b>Total</b>     | <b>1232</b>               | <b>1086</b>        | <b>224</b>       | <b>2542</b> |

The status of CIRPs as on 30<sup>th</sup> September 2019 is presented in Table 4.

**Table 4: Status of CIRPs as on 30<sup>th</sup> September 2019**

| Status of CIRPs                        | No. of CIRPs |
|--|--------------|
| Admitted                               | 2542         |
| Closed on Appeal / Review/ Settled     | 186          |
| Closed by Withdrawal under section 12A | 116          |
| Closed by Resolution                   | 156          |
| Closed by Liquidation                  | 587          |
| Ongoing CIRP                           | 1497         |
| > 270 days                             | 535          |
| > 180 days ≤ 270 days                  | 324          |
| > 90 days ≤ 180 days                   | 276          |
| ≤ 90 days                              | 362          |

Note: 1. The number of days is from the date of admission.

2. The number of days includes time, if any, excluded by the Tribunals.

### Withdrawal under section 12A

Till September 2019, a total of 116 CIRPs have been withdrawn under section 12A of the Code. The distribution of claims and reasons for withdrawal in these CIRPs are presented in Table 5.

**Table 5: Claim Distribution and Reasons for Withdrawal**

| Amount of Claims Admitted* (Amount in Rs. crore) | No. of CIRPs |
|--|--------------|
| ≤ 01   | 43           |
| > 01 ≤ 10  | 32           |
| > 10 ≤ 50  | 15           |
| > 50 ≤ 100                                       | 06           |
| > 100 ≤ 1000                                     | 05           |
| > 1000   | 02           |
| <b>Reason for Withdrawal**</b>                   |              |
| Full settlement with the applicant               | 34           |
| Full settlement with other creditors             | 07           |
| Agreement to settle in future                    | 08           |
| Other settlements with creditors                 | 35           |
| Corporate debtors not traceable                  | 02           |
| Corporate debtor struck off the Register         | 01           |
| Applicant not pursuing CIRP due to high cost     | 02           |
| Others   | 16           |

\* Data awaited in 13 CIRPs

\*\*Data awaited in 11 CIRPs.

### Resolution Plans

It is seen that about 56.17% of the CIRPs, which were closed, ended in liquidation, as compared to 14.93% ending with a resolution plan. However, it is important to note that 72.86% of the CIRPs ending in liquidation (427 out of 586) were earlier with BIFR and or defunct (Table 6). The economic value in most of these CDs had already eroded before they were admitted into CIRP.

**Table 6: CIRPs Ending with Orders for Liquidation**

| State of Corporate Debtor at the Commencement of CIRP | No. of CIRPs initiated by |     |    |       |
|---|---------------------------|-----|----|-------|
|   | FC                        | OC  | CD | Total |
| Either in BIFR or Non-functional or both              | 153                       | 190 | 84 | 427   |
| Resolution Value ≤ Liquidation Value                  | 188                       | 221 | 85 | 494   |
| Resolution Value > Liquidation Value                  | 43                        | 26  | 23 | 92    |

Note: 1. There were 45 CIRPs, where CDs were in BIFR or non-functional but had resolution value higher than liquidation value.

2. Where liquidation value was not calculated, it has been taken as '0'.

3. Data of 1 CIRP awaited.

Till June 2019, 120 CIRPs had yielded resolution plans as presented in the last newsletter. 11 CIRPs were later reported as yielding resolution plans during that period, as presented in Part A of Table 7. During July-September, 2019, 27 CIRPs yielded resolution plans with different degrees of realisation in comparison to the liquidation value as presented in Part B of Table 7. During the quarter, realisation by FCs under resolution plans in comparison to liquidation value is 183%, while the realisation by them in comparison to

their claims is 34%. Till September 2019, realisation by FCs under resolution plans in comparison to liquidation value is 184%, while the realisation by them in comparison to their claims is 42%.

Table 7: CIRPs Yielding Resolution

(Amount in Rs. crore)

| Sl. No.  | Name of CD                                      | Defunct (Yes/No) | Date of Commencement of CIRP | Date of Approval of Resolution Plan | CIRP initiated by | Total Admitted Claims of FCs | Liquidation Value | Realisable by FCs | Realisable by FCs as % of their Claims Admitted | Realisable by FCs as % of Liquidation Value |
|--|---|------------------|------------------------------|-------------------------------------|-------------------|------------------------------|-------------------|-------------------|---|---|
| <b>Part A: Prior Period (Till 30<sup>th</sup> June 2019)</b> |   |                  |                              |                                     |                   |                              |                   |                   |   |   |
| 1  | Garg Inox Limited                               | Yes              | 25-07-2017                   | 04-12-2018                          | FC                | 214.13                       | 69.39             | 72.00             | 33.62   | 103.76                                      |
| 2  | United Seamless Tubular Private Limited         | No               | 12-06-2017                   | 21-01-2019                          | FC                | 2032.78                      | 597.55            | 472.25            | 23.23   | 79.03                                       |
| 3  | Say India Jewellers Private Limited             | Yes              | 01-08-2017                   | 29-01-2019                          | OC                | 137.92                       | 16.70             | 27.75             | 20.12   | 166.17                                      |
| 4  | Paramshakti Steels Limited                      | Yes              | 03-07-2017                   | 21-02-2019                          | FC                | 174.94                       | 34.11             | 47.95             | 27.41   | 140.57                                      |
| 5  | Rainbow Papers Limited                          | Yes              | 12-09-2017                   | 27-02-2019                          | OC                | 1468.25                      | 424.01            | 564.31            | 38.43   | 133.09                                      |
| 6  | Star Agro Marine Exports Private Limited        | No               | 08-01-2018                   | 11-03-2019                          | FC                | 287.23                       | 22.65             | 48.09             | 16.74   | 212.32                                      |
| 7  | Indus Fila Limited.*                            |                  | 20-02-2018                   | 10-05-2019                          | OC                |                              |                   |                   |   |   |
| 8  | Maiyas Beverages and Foods Private Limited      | No               | 24-07-2018                   | 10-05-2019                          | OC                | 109.09                       | 58.39             | 109.09            | 100.00  | 186.83                                      |
| 9  | NSP Hospitech India Private Limited             | Yes              | 04-12-2018                   | 06-06-2019                          | OC                | 1.15                         | 1.09              | 1.01              | 88.60   | 92.66                                       |
| 10   | Uttam Strips Limited                            | No               | 09-04-2018                   | 06-06-2019                          | OC                | 558.83                       | 107.00            | 109.00            | 19.51   | 101.87                                      |
| 11   | Korba West Power Company Ltd.                   | No               | 26-07-2018                   | 24-06-2019                          | CD                | 5032.16                      | 1454.93           | 1166.61           | 23.18   | 80.18                                       |
| <b>Part B: July- September 2019</b>                          |   |                  |                              |                                     |                   |                              |                   |                   |   |   |
| 1  | Asis Plywood Limited                            | No               | 21-11-2017                   | 01-07-2019                          | CD                | 8935.56                      | 689.91            | 1114.09           | 12.47   | 161.48                                      |
| 2  | Network Industries Limited                      | Yes              | 26-09-2018                   | 04-07-2019                          | FC                | 196.22                       | 31.65             | 35.80             | 18.24   | 113.11                                      |
| 3  | Olive Lifesciences Private Limited              | No               | 22-09-2017                   | 09-07-2019                          | CD                | 47.51                        | 15.20             | 40.23             | 84.68   | 264.67                                      |
| 4  | Dinesh Polytubes Private Limited                | Yes              | 11-12-2017                   | 12-07-2019                          | FC                | 5.78                         | 1.84              | 2.53              | 43.77   | 137.50                                      |
| 5  | BCIL Zed Ria Properties Private Limited         | No               | 09-08-2018                   | 16-07-2019                          | FC                | 91.02                        | 21.44             | 35.90             | 39.44   | 167.44                                      |
| 6  | Miditech Private Limited                        | Yes              | 16-02-2018                   | 18-07-2019                          | CD                | 11.62                        | 0.16              | 1.87              | 16.09   | 1168.75                                     |
| 7  | Sri Srivathsa Paper Mills Private Limited       | No               | 13-11-2018                   | 19-07-2019                          | FC                | 153.44                       | 12.00             | 20.50             | 13.36   | 170.83                                      |
| 8  | Beans & More Hospitality Private Limited        | No               | 13-03-2018                   | 19-07-2019                          | FC                | 87.36                        | 42.01             | 87.36             | 100.00  | 207.95                                      |
| 9  | Solidaire India Limited                         | Yes              | 26-10-2018                   | 19-07-2019                          | FC                | 133.87                       | 6.11              | 1.20              | 0.90  | 19.64                                       |
| 10   | Ruchi Soya Industries Limited                   | No               | 15-12-2017                   | 24-07-2019                          | FC                | 9384.75                      | 2391.16           | 4093.19           | 43.62   | 171.18                                      |
| 11   | Murli Industries Limited                        | No               | 05-04-2017                   | 25-07-2019                          | FC                | 2783.10                      | 231.10            | 347.74            | 12.49   | 150.47                                      |
| 12   | Sevenhills Healthcare Private Limited           | No               | 13-03-2018                   | 26-07-2019                          | FC                | 1273.30                      | 622.10            | 1002.54           | 78.74   | 161.15                                      |
| 13   | Lanco Teesta Hydro Power Limited                | No               | 16-03-2018                   | 26-07-2019                          | FC                | 31.72                        | 132.08            | 11.12             | 35.06   | 8.42  |
| 14   | Shrid Metal Technologies Private Limited        | No               | 16-04-2018                   | 26-07-2019                          | OC                | 16.97                        | 4.32              | 13.34             | 78.61   | 308.80                                      |
| 15   | MIC Electronics Limited                         | No               | 13-03-2018                   | 31-07-2019                          | FC                | 263.53                       | 53.00             | 49.72             | 18.87   | 93.81                                       |
| 16   | Khandoba Prasanna Sakhar Karkhana Limited       | Yes              | 01-01-2018                   | 01-08-2019                          | FC                | 30.89                        | 13.53             | 18.53             | 59.99   | 136.95                                      |
| 17   | Rustagi Impex Private Limited                   | No               | 10-05-2018                   | 06-08-2019                          | FC                | 126.71                       | 8.57              | 7.15              | 5.64  | 83.43                                       |
| 18   | Feedatives Pharma Pvt. Ltd.                     | No               | 18-09-2018                   | 06-08-2019                          | OC                | 56.42                        | 5.90              | 8.00              | 14.18   | 135.59                                      |
| 19   | BCIL Red Earth Developers India Private Limited | No               | 09-08-2018                   | 09-08-2019                          | FC                | 199.74                       | 21.05             | 79.56             | 39.83   | 377.96                                      |
| 20   | Sheon Skincare Private Limited                  | No               | 08-12-2017                   | 09-08-2019                          | OC                | 0.00                         | 0.23              | 0.00              | 0.00  | 0.00  |
| 21   | Aristo Texcon Pvt. Ltd.                         | No               | 31-08-2018                   | 20-08-2019                          | CD                | 36.32                        | 8.43              | 8.51              | 23.43   | 100.95                                      |
| 22   | PRC International Hotels Private Limited        | Yes              | 24-07-2018                   | 27-08-2019                          | FC                | 53.43                        | 28.38             | 25.40             | 47.54   | 89.50                                       |
| 23   | Ramsarup Industries Limited                     | No               | 08-01-2018                   | 04-09-2019                          | FC                | 5851.96                      | 614.41            | 351.00            | 6.00  | 57.13                                       |
| 24   | Bhushan Power & Steel Limited                   | No               | 26-07-2017                   | 05-09-2019                          | FC                | 47157.99                     | 9513.63           | 19350.00          | 41.03   | 203.39                                      |
| 25   | Sunstar Overseas Limited                        | No               | 20-07-2018                   | 12-09-2019                          | FC                | 1091.96                      | 157.95            | 195.00            | 17.86   | 123.46                                      |
| 26   | Scott Garments Limited                          | Yes              | 13-08-2018                   | 16-09-2019                          | OC                | 564.04                       | 160.00            | 160.00            | 28.37   | 100.00                                      |
| 27   | Jasper Engineers Pvt. Ltd.                      | Yes              | 05-09-2018                   | 17-09-2019                          | OC                | 7.21                         | 3.47              | 4.67              | 64.77   | 134.58                                      |
| <b>Total (July- September, 2019)</b>                         |   |                  |                              |                                     |                   | <b>78592.42</b>              | <b>14789.63</b>   | <b>27064.95</b>   | <b>34.44</b>                                    | <b>183.00</b>                               |
| <b>Total (Till September, 2019)</b>                          |   |                  |                              |                                     |                   | <b>332087.26</b>             | <b>74996.82</b>   | <b>137919.28</b>  | <b>41.53</b>                                    | <b>183.90</b>                               |

\*Data awaited.

Defunct: Not Going Concern/ Erstwhile BIFR

Note: Two CIRPs of prior period (in respect of Zion Steel Ltd. and Adhunik Metaliks Ltd.) which had yielded resolution plans earlier, have moved into liquidation in this quarter.

## Liquidation

Till 30<sup>th</sup> June, 2019, a total of 475 CIRPs had yielded orders for liquidation, as presented in the previous Newsletter. The liquidation order passed with respect to one CD was set aside by the Appellate Authority during the prior period. 20 CIRPs were later reported as yielding orders for liquidation during that period, as indicated in Part A of Table 8. During the quarter July-September 2019, 93 CIRPs ended in liquidation, taking the total CIRPs yielding liquidation to 587. The details of the CIRPs ending in orders for liquidation during the quarter is reported in Part B of Table 8.



**Table 8: CIRPs yielding Orders for Liquidation**

| Sl. No.  | Name of CD   | Defunct (Yes / No) | CIRP Initiated by | Date of Commencement of CIRP | Date of Liquidation Order |
|--|--|--------------------|-------------------|------------------------------|---------------------------|
| <b>Part A: Prior Period (till 30<sup>th</sup> June 2019)</b> |  |                    |                   |                              |                           |
| 1  | Kochar Overseas Private Limited                      | Yes                | CD                | 27-11-2017                   | 30-11-2018                |
| 2  | Oceanic Edibles International Limited                | Yes                | FC                | 13-09-2017                   | 10-12-2018                |
| 3  | Jaimurugan Textiles Limited                          | Yes                | OC                | 04-04-2018                   | 18-12-2018                |
| 4  | Avance Logistics and Trading (India) Private Limited | Yes                | FC                | 11-09-2017                   | 24-12-2018                |
| 5  | Neo Aid Communication (India) Private Limited        | Yes                | OC                | 09-07-2018                   | 25-01-2019                |
| 6  | Nvento Foods Technologies Private Limited            | Yes                | FC                | 23-08-2017                   | 28-01-2019                |
| 7  | Shipra Infraprojects Private Limited                 | Yes                | OC                | 01-06-2017                   | 01-02-2019                |
| 8  | Ang Industries Limited                               | No                 | CD                | 31-08-2017                   | 04-02-2019                |
| 9  | Tsn Ecotech International Private Limited*           | NA                 | OC                | 22-06-2018                   | 07-03-2019                |
| 10   | Abhishek Corporation Limited                         | No                 | OC                | 17-11-2017                   | 11-03-2019                |
| 11   | Sagayam Hospitalities Private Limited (OPC)          | Yes                | OC                | 26-09-2018                   | 24-04-2019                |
| 12   | Rangajava Soap & Chemical Works Pvt Ltd              | No                 | OC                | 01-11-2018                   | 17-05-2019                |
| 13   | Datsun Fashion Limited                               | No                 | OC                | 07-05-2018                   | 10-06-2019                |
| 14   | Maha Ujja Utilities Private Limited                  | Yes                | OC                | 24-07-2018                   | 17-06-2019                |
| 15   | Chandra Royal Inn Private Limited                    | Yes                | FC                | 06-09-2018                   | 27-06-2019                |
| 16   | Veer Resources & Projects Private Limited            | Yes                | OC                | 07-08-2018                   | 27-06-2019                |
| 17   | Neeta Chemicals (India) Private Limited              | Yes                | CD                | 14-05-2018                   | 28-06-2019                |
| 18   | Sattur Sri Ganga Chitfunds Private Limited**         | Yes                | OC                | 25-07-2018                   | -                         |
| 19   | United Steel and Structural Private Limited**        | No                 | OC                | 20-02-2019                   | -                         |
| 20   | S.N.K.M. and Sons Timbers Pvt. Ltd. **               | Yes                | FC                | 22-04-2019                   | -                         |
| <b>Part B: July- September 2019</b>                          |  |                    |                   |                              |                           |
| 1  | Kohinoor Pulp & Paper Private Limited                | Yes                | OC                | 21-08-2018                   | 01-07-2019                |
| 2  | Fantastic Buldcon Private Limited                    | Yes                | FC                | 13-06-2018                   | 02-07-2019                |
| 3  | Deepak Cables (India) Limited                        | Yes                | FC                | 23-08-2018                   | 04-07-2019                |
| 4  | D N Sircar S K Das Pvt Ltd                           | Yes                | OC                | 02-11-2018                   | 05-07-2019                |
| 5  | Ashok Transformers Private Limited                   | Yes                | OC                | 25-07-2018                   | 05-07-2019                |
| 6  | Vishal Global Limited                                | Yes                | OC                | 27-09-2018                   | 08-07-2019                |
| 7  | CNN Minerals Private Limited.                        | Yes                | OC                | 31-08-2018                   | 08-07-2019                |
| 8  | C. S. Tubes Private Limited                          | Yes                | CD                | 15-01-2019                   | 08-07-2019                |
| 9  | Adhunik Metaliks Limited                             | No                 | FC                | 03-08-2017                   | 09-07-2019                |
| 10   | Zion Steel Limited                                   | No                 | FC                | 03-08-2017                   | 09-07-2019                |
| 11   | Sri Karunambikai Mills Private Limited               | Yes                | OC                | 26-09-2018                   | 09-07-2019                |
| 12   | Thiripura Chits Private Limited                      | Yes                | OC                | 17-09-2018                   | 09-07-2019                |
| 13   | Leo Duct Engineers & Consultants Limited***          | No                 | CD                | 21-03-2018                   | 09-07-2019                |
| 14   | Shreem Wires Private Limited                         | Yes                | OC                | 10-08-2018                   | 11-07-2019                |
| 15   | Crown Alba Writing Instruments India Private Limited | Yes                | OC                | 10-05-2018                   | 15-07-2019                |
| 16   | Italian Exposition Private Limited                   | Yes                | CD                | 20-02-2019                   | 15-07-2019                |
| 17   | Marvel Crafts Private Limited                        | Yes                | OC                | 17-12-2018                   | 15-07-2019                |
| 18   | Brinzc Powertech Private Limited                     | Yes                | OC                | 26-06-2018                   | 15-07-2019                |
| 19   | Southern Online Bio Technologies Limited             | No                 | FC                | 05-10-2018                   | 16-07-2019                |
| 20   | SR Breweries Private Limited                         | Yes                | OC                | 03-12-2018                   | 16-07-2019                |
| 21   | AGI Cargo Private Limited                            | Yes                | OC                | 12-10-2018                   | 16-07-2019                |
| 22   | Sri Lakshmi Hotels Private Limited                   | Yes                | FC                | 28-02-2019                   | 17-07-2019                |
| 23   | Tecpro Engineers Limited                             | No                 | OC                | 26-03-2018                   | 17-07-2019                |
| 24   | Vaman Fabrics Private Limited                        | Yes                | CD                | 01-10-2018                   | 17-07-2019                |
| 25   | Shivam Water Treaters Private Limited                | No                 | FC                | 15-10-2018                   | 17-07-2019                |
| 26   | Mansi Oils & Grains Private Limited                  | Yes                | FC                | 01-01-2018                   | 19-07-2019                |
| 27   | Baffin Engineering Projects Limited                  | Yes                | FC                | 24-10-2018                   | 19-07-2019                |
| 28   | Kasturi Exim Private Limited                         | Yes                | OC                | 13-11-2018                   | 19-07-2019                |
| 29   | United Chloro-Paraffins Private Limited              | No                 | CD                | 12-10-2018                   | 19-07-2019                |
| 30   | Varia Engineering Works Private Limited              | No                 | FC                | 21-12-2017                   | 22-07-2019                |
| 31   | Orchid Health Care Private Limited                   | Yes                | FC                | 27-03-2019                   | 22-07-2019                |
| 32   | Proline Infra-Trading Private Limited                | Yes                | OC                | 15-10-2018                   | 23-07-2019                |
| 33   | IVRCL Limited  | No                 | FC                | 23-02-2018                   | 26-07-2019                |
| 34   | Nadia Health Care Private Limited                    | No                 | OC                | 05-10-2018                   | 30-07-2019                |
| 35   | Dreams Systems Private Limited                       | Yes                | FC                | 02-04-2018                   | 30-07-2019                |
| 36   | Tara Jewels Limited                                  | No                 | OC                | 01-11-2018                   | 30-07-2019                |

| Sl. No. | Name of CD  | Defunct (Yes / No) | CIRP Initiated by | Date of Commencement of CIRP | Date of Liquidation Order |
|---------|---|--------------------|-------------------|------------------------------|---------------------------|
| 37      | SSMP Industries Limited   | Yes                | CD                | 27-08-2018                   | 31-07-2019                |
| 38      | Spice Infra-Trading Private Limited                                 | No                 | FC                | 12-09-2018                   | 31-07-2019                |
| 39      | Anil Life Sciences Limited  | Yes                | OC                | 12-09-2018                   | 02-08-2019                |
| 40      | Gian Chand and Sons Private Limited                                 | No                 | OC                | 30-10-2018                   | 05-08-2019                |
| 41      | Varrsana Ispat Ltd.   | No                 | FC                | 16-11-2017                   | 06-08-2019                |
| 42      | World Consulting & Research Corporation Private Limited             | Yes                | OC                | 08-01-2018                   | 07-08-2019                |
| 43      | Winwind Power Energy Private Limited                                | Yes                | OC                | 28-09-2018                   | 07-08-2019                |
| 44      | TAPL International Private Limited                                  | Yes                | FC                | 01-02-2019                   | 07-08-2019                |
| 45      | Titan Energy Systems Limited  | Yes                | FC                | 09-01-2019                   | 08-08-2019                |
| 46      | VTL (India) Limited   | Yes                | OC                | 27-09-2018                   | 08-08-2019                |
| 47      | Sarvottam Vegetable Oil Refinery Private Limited                    | Yes                | OC                | 07-08-2018                   | 08-08-2019                |
| 48      | Mohan Gems & Jewels Private Limited                                 | No                 | FC                | 25-09-2018                   | 09-08-2019                |
| 49      | Surya Pharmaceutical Limited  | Yes                | FC                | 08-10-2018                   | 09-08-2019                |
| 50      | Advance Navotpad Surfactants Limited                                | Yes                | FC                | 27-09-2018                   | 09-08-2019                |
| 51      | SAS Autocom Engineers India Private Limited                         | Yes                | OC                | 28-09-2018                   | 09-08-2019                |
| 52      | Xilent Marline India Private Limited                                | No                 | OC                | 03-12-2018                   | 09-08-2019                |
| 53      | Hiranandani Palace Gardens Private Limited                          | Yes                | OC                | 01-01-2019                   | 13-08-2019                |
| 54      | Siddhi Vinayak Power Generation & Distributors Private Limited      | No                 | OC                | 10-08-2018                   | 14-08-2019                |
| 55      | AKR Home Depot Private Limited                                      | Yes                | OC                | 04-02-2019                   | 19-08-2019                |
| 56      | Shilpi Cables Private Limited                                       | Yes                | FC                | 14-03-2017                   | 20-08-2019                |
| 57      | Goa Auto Accessories Limited  | Yes                | CD                | 11-12-2018                   | 20-08-2019                |
| 58      | Apex MRI Centre Private Limited                                     | Yes                | FC                | 12-04-2019                   | 21-08-2019                |
| 59      | Maxx Mobile Communications Limited                                  | No                 | FC                | 31-01-2019                   | 21-08-2019                |
| 60      | Spads Textiles Limited  | No                 | OC                | 08-06-2018                   | 22-08-2019                |
| 61      | Pearl Vision Private Limited  | Yes                | FC                | 12-10-2018                   | 22-08-2019                |
| 62      | Pixion Media Private Limited  | Yes                | FC                | 09-10-2018                   | 22-08-2019                |
| 63      | Anil Technoplus Limited   | Yes                | OC                | 14-02-2018                   | 22-08-2019                |
| 64      | Khaitan Electricals Limited   | Yes                | FC                | 28-11-2018                   | 23-08-2019                |
| 65      | Dynamic Shells (India) Private Limited                              | Yes                | FC                | 27-09-2018                   | 23-08-2019                |
| 66      | Ace Healthways Private Limited                                      | Yes                | OC                | 26-10-2018                   | 23-08-2019                |
| 67      | Alchemist Hospitals (Gurgaon) Private Limited                       | Yes                | OC                | 25-01-2019                   | 23-08-2019                |
| 68      | White & Brown Alloy Castings Private Limited                        | No                 | FC                | 10-12-2018                   | 26-08-2019                |
| 69      | Thomson Nusa Metals Private Limited                                 | Yes                | FC                | 06-02-2019                   | 26-08-2019                |
| 70      | Ardor Global Private Limited  | Yes                | OC                | 31-07-2017                   | 26-08-2019                |
| 71      | Shri Maruthi Textiles Ltd.  | Yes                | FC                | 07-02-2019                   | 26-08-2019                |
| 72      | Girma Infraprojects Private Limited                                 | Yes                | FC                | 26-04-2018                   | 27-08-2019                |
| 73      | Gokula Kannan Chits Tamilnadu Private Limited                       | No                 | OC                | 21-01-2019                   | 27-08-2019                |
| 74      | Asis Logistics Limited  | No                 | CD                | 11-01-2018                   | 28-08-2019                |
| 75      | Anoushka Hospital Consultancy & Management Services Private Limited | Yes                | FC                | 15-01-2019                   | 29-08-2019                |
| 76      | GB Raja Top Weaving Private Limited                                 | Yes                | OC                | 15-03-2019                   | 29-08-2019                |
| 77      | Biodiversity Conservation (India) Private Limited                   | No                 | FC                | 09-08-2018                   | 30-08-2019                |
| 78      | Kavya Advertising and Marketing Private Limited                     | Yes                | OC                | 29-11-2017                   | 30-08-2019                |
| 79      | Gold King Tex India Private Limited                                 | Yes                | OC                | 25-01-2019                   | 03-09-2019                |
| 80      | SRK Kitchen Appliances Private Limited                              | No                 | OC                | 01-08-2018                   | 03-09-2019                |
| 81      | Adept Technology Private Limited                                    | Yes                | OC                | 26-03-2019                   | 03-09-2019                |
| 82      | Flora Footwear Private Limited                                      | No                 | OC                | 02-01-2019                   | 03-09-2019                |
| 83      | Frontier Lifeline Private Limited                                   | No                 | FC                | 02-08-2018                   | 04-09-2019                |
| 84      | Novex (India) Private Limited                                       | No                 | OC                | 10-12-2018                   | 04-09-2019                |
| 85      | Setu Vintrade Limited   | Yes                | OC                | 11-12-2018                   | 05-09-2019                |
| 86      | Balajidham Buildstates Private Limited                              | Yes                | OC                | 02-11-2018                   | 06-09-2019                |
| 87      | Bluefern Ventures Pvt. Ltd.   | Yes                | FC                | 21-12-2018                   | 06-09-2019                |
| 88      | Shri Badrinarain Alloys & Steel Ltd.                                | No                 | FC                | 05-12-2018                   | 06-09-2019                |
| 89      | Shreedhar Milk Foods Limited  | Yes                | FC                | 09-08-2018                   | 12-09-2019                |
| 90      | P V S Textiles Private Limited                                      | Yes                | FC                | 08-03-2019                   | 16-09-2019                |
| 91      | Transstroy (India) Limited  | No                 | FC                | 10-10-2018                   | 18-09-2019                |
| 92      | Devikripa Trading Private Limited                                   | Yes                | FC                | 12-12-2018                   | 19-09-2019                |
| 93      | Antrix Diamond Exports Private Limited                              | No                 | CD                | 27-03-2018                   | 20-09-2019                |

\*Data awaited.

\*\* Direct dissolution of CD ordered.

\*\*\*The liquidation order dated 8<sup>th</sup> March 2019 was set aside by the NCLAT, vide order dated 21<sup>st</sup> May 2019. The CIRP recommenced. It, however, yielded liquidation again vide order dated 9<sup>th</sup> July 2019.

Defunct: Not Going Concern/ Erstwhile BIFR.

NA: Not Available.

The status of liquidation process as on 30<sup>th</sup> September 2019 is presented in Table 9.

Table 9: Status of Liquidation Process as on 30<sup>th</sup> September 2019

| Status of Liquidation        | Number     |
|------------------------------|------------|
| Initiated                    | 587        |
| Final Report submitted       | 37         |
| <b>Closed by Dissolution</b> | <b>24</b>  |
| <b>Ongoing</b>               | <b>550</b> |
| > Two Years                  | 8          |
| > 360 days                   | 193        |
| > 270 days ≤ 360 days        | 82         |
| > 180 days ≤ 270 days        | 86         |
| > 90 days ≤ 180 days         | 92         |
| ≤ 90 days                    | 89         |

Till June, 2019 11 liquidations were closed as presented in the last newsletter. Four dissolutions were later reported for that period, as presented in Part A of Table 10. During July-September 2019, nine more liquidations were closed. The details of the same are presented in Table 10.

Table 10: Details of Closed Liquidation (Amount in Rs. crore)

| Sl. No.  | Name of CD                                   | Date of Order of Liquidation | Amount of Admitted Claims | Liquidation Value | Sale Proceeds | Amount Distributed to Stakeholders | Date of Order of Dissolution |
|--|--|------------------------------|---------------------------|-------------------|---------------|------------------------------------|------------------------------|
| <b>Part A: Prior Period (till 30<sup>th</sup> June 2019)</b> |  |                              |                           |                   |               |                                    |                              |
| 1  | Visuwam Auto Spares Private Limited          | 06-06-2018                   | 8.77                      | 0                 | NA            | 0                                  | 15-04-2019                   |
| 2  | Sagayam Hospitalities Private Limited (OPC)  | 24-04-2019                   | NA                        | 0                 | NA            | 0                                  | 24-04-2019                   |
| 3  | Getit Grocery Private Limited                | 09-07-2018                   | 8.77                      | 1.08              | 1.08          | 0.96                               | 07-06-2019                   |
| 4  | Upadan Commodities Private Limited           | 01-03-2018                   | 0.06                      | 0                 | NA            | 0                                  | 21-06-2019                   |
| <b>Part B: July- September 2019</b>                          |  |                              |                           |                   |               |                                    |                              |
| 1  | Kakatiya Engineering Equipment Pvt Ltd       | 27-07-2018                   | 49.85                     | 5.35              | 5.68          | 5.33                               | 09-07-2019                   |
| 2  | Sattur Sri Ganga Chitfunds Private Limited   | 17-07-2019                   | 0.05                      | 0                 | NA            | 0                                  | 17-07-2019                   |
| 3  | United Steel and Structurals Private Limited | 02-08-2019                   | 0.43                      | 0                 | NA            | 0                                  | 02-08-2019                   |
| 4  | Balaji Polysacks Pvt Ltd                     | 12-06-2018                   | 19.08                     | 0                 | NA            | 0                                  | 09-08-2019                   |
| 5  | Orchid Health Care Private Limited           | 17-07-2019                   | 3500                      | 0                 | NA            | 0                                  | 21-08-2019                   |
| 6  | RHD Enterprises Private Limited              | 22-02-2018                   | NA                        | 0                 | NA            | 0                                  | 29-08-2019                   |
| 7  | S.N.K.M. and Sons Timbers Private Limited    | 30-08-2019                   | NA                        | 0                 | 0.05          | 0                                  | 30-08-2019                   |
| 8  | Berhampur Finance & Leasing Private Limited  | 25-03-2019                   | 0.01                      | 0                 | 0             | 0                                  | 17-09-2019                   |
| 9  | Wegilant Net Solutions Private Limited       | 21-12-2017                   | 4.73                      | 0                 | 0.02          | 0                                  | 19-09-2019                   |

'0' means an amount below two decimals.

NA means Not realizable/Saleable or no asset left for liquidation.

The AA passes an order for liquidation under four circumstances. The details of liquidation as per each of these circumstances are presented in Table 11.

Table 11: Reasons for Liquidation #

| Circumstance   | Number of Liquidations        |            |
|--|-------------------------------|------------|
|  | Where Final Reports Submitted | Ongoing    |
| AA did not receive resolution plan for approval                          | 20                            | 200        |
| AA rejected the resolution plan for non-compliance with the requirements | 0                             | 20         |
| CoC decided to liquidate the corporate debtor during CIRP                | 17                            | 133        |
| CD contravened provisions of resolution plan                             | 0                             | 01         |
| <b>Total</b>   | <b>37</b>                     | <b>354</b> |

# Data are available for only 354 ongoing cases.

Regulation 12 of the IBBI (Liquidation Process) Regulations, 2016 requires the liquidator to make a public announcement calling upon stakeholders to submit their claims as on the liquidation commencement date, within 30 days from the liquidation commencement date. The details of the claims admitted by the liquidators in 391 liquidations, for which data are available, are presented in Table 12.

Table 12: Claims in Liquidation Process (Amount in Rs. crore)

| Stakeholders under Section                          | Number of Claimants | Amount of claims Admitted | Liquidation Value | Amount Realised | Amount distributed |
|---|---------------------|---------------------------|-------------------|-----------------|--------------------|
| <b>37 Liquidations where Final Report Submitted</b> |                     |                           |                   |                 |                    |
| 53 (I) (a)  |                     |                           | 31.72             | 30.17           | 3.05               |
| 53 (I) (b)  | 83                  | 9351                      |                   |                 | 15                 |
| 53 (I) (c)  | 20                  | 0.30                      |                   |                 | 0.10               |
| 53 (I) (d)  | 23                  | 139                       |                   |                 | 5.48               |
| 53 (I) (e)  | 19                  | 233                       |                   |                 | 6.24               |
| 53 (I) (f)  | 53                  | 26                        |                   |                 | 0.34               |
| 53 (I) (g)  | 0                   | 0                         |                   |                 | 0                  |
| 53 (I) (h)  | 53                  | 3                         |                   |                 | 1.51               |
| <b>Total (A)</b>                                    | <b>281</b>          | <b>9752</b>               |                   |                 |                    |
| <b>Ongoing 354 Liquidations*</b>                    |                     |                           |                   |                 |                    |
| 53 (I) (a)  |                     |                           | 15165             |                 |                    |
| 53 (I) (b)  | 23485               | 244120                    |                   |                 |                    |
| 53 (I) (c)  | 16127               | 1208                      |                   |                 |                    |
| 53 (I) (d)  | 4909                | 71704                     |                   |                 |                    |
| 53 (I) (e)  | 418                 | 7761                      |                   |                 |                    |
| 53 (I) (f)  | 1946523             | 20151                     |                   |                 |                    |
| 53 (I) (g)  | 0                   | 0                         |                   |                 |                    |
| 53 (I) (h)  | 572                 | 730                       |                   |                 |                    |
| <b>Total (B)</b>                                    | <b>1992034</b>      | <b>345674</b>             |                   |                 |                    |
| <b>Grand Total (A + B)</b>                          | <b>1992315</b>      | <b>355426</b>             |                   |                 |                    |

\* Data for other liquidations are not available.

The average time taken for completion of 156 CIRPs (Table 13), which have yielded resolution plans is 374 days, including the time excluded by the AA. However, if the time excluded by the AA is excluded, the average time for completion of these CIRPs is 347 days. The average time taken for completion of 156 CIRPs, which have yielded orders for liquidations is 300 days.

Table 13: Average Time for Approval of Resolution Plans / Orders for Liquidation

| Sl. No. | Average time from insolvency commencement date till | No. of CIRPs covered | Time (In days)          |                         |
|---------|---|----------------------|-------------------------|-------------------------|
|         |   |                      | Including excluded time | Excluding excluded time |
| 1       | Approval of resolution plans by AA                  | 156                  | 374                     | 347                     |
| 2       | Orders for liquidation by AA                        | 587                  | 300                     | NA                      |

## Twelve Large Accounts

Resolution of 12 large accounts were initiated by banks, as directed by RBI. Together they had an outstanding claim of Rs.3.45 lakh crore as against liquidation value of Rs. 73,220 crore. Of these, resolution plan in respect of seven CDs have been approved and orders for liquidation have been passed in respect of two CDs. Due to failure of implementation of approved resolution plan in respect of one CD (Amtek Auto Limited), the process has restarted. Thus, CIRPs in respect of 3 CDs and liquidation in respect of 2 CDs are ongoing and are at different stages of the process. The status of the twelve large accounts is presented in Table 14.

Table 14: Twelve Large Accounts (Amount in Rs. crore)

| Name of Corporate Debtor        | Claims of Financial Creditors Dealt Under Resolution |                 |                                     | Realisation by all Claimants as a Percentage of Liquidation Value | Successful Resolution Applicant                  |
|---------------------------------|--|-----------------|-------------------------------------|---|--|
|                                 | Amount Admitted                                      | Amount Realised | Realisation as Percentage of Claims |   |  |
| <b>Completed</b>                |  |                 |                                     |   |  |
| Electrosteel Steels Limited     | 13175  | 5320            | 40.38                               | 183.45  | Vedanta Ltd.                                     |
| Bhushan Steel Limited           | 56022  | 35571           | 63.50                               | 252.88  | Bannipal Steel Ltd.                              |
| Monnet Ispat and Energy Limited | 11015  | 2892            | 26.26                               | 123.35  | Consortium of JSW and AION Investments Pvt. Ltd. |
| Essar Steel India Limited       | 49473  | 30030           | 60.70                               | 265.18  | Arcelor Mittal India Pvt. Ltd.                   |

| Name of Corporate Debtor      | Claims of Financial Creditors Dealt Under Resolution |                 |                                     | Realisation by all Claimants as a Percentage of Liquidation Value | Successful Resolution Applicant  |
|-------------------------------|--|-----------------|-------------------------------------|---|--|
|                               | Amount Admitted                                      | Amount Realised | Realisation as Percentage of Claims |   |  |
| Alok Industries Limited       | 29523  | 5052            | 17.11                               | 113.96  | Reliance Industries Limited, JM Financial Asset Reconstruction Company Ltd., JMFARC - March 2018 - Trust |
| Jyoti Structures Limited      | 7365   | 3691            | 50.12                               | 387.44  | Group of HNIs led by Mr. Sharad Sanghi   |
| Bhushan Power & Steel Limited | 47158  | 19350           | 41.03                               | 203.39  | JSW Ltd.   |
| <b>Under Process</b>          |  |                 |                                     |   |  |
| Amtek Auto Limited            | CIRP recommended.                                    |                 |                                     |   |  |
| Era Infra Engineering Limited | Under CIRP   |                 |                                     |   |  |
| Jaypee Infratech Limited      | Under CIRP   |                 |                                     |   |  |
| Lanco Infratech Limited       | Under liquidation                                    |                 |                                     |   |  |
| ABG Shipyard Ltd.             | Under liquidation                                    |                 |                                     |   |  |

Note: 1. Due to failure of implementation of approved resolution plan in Amtek Auto Limited, which was earlier included in the completed list, the process has restarted.  
2. The resolution plans approved in Essar Steel India Ltd. and Bhushan Power & Steel Limited are under challenge before the Hon'ble Supreme Court and Hon'ble NCLAT respectively.

## Voluntary Liquidation

A corporate person may initiate voluntary liquidation proceeding if majority of the directors or designated partners of the corporate person make a declaration to the effect that (i) the corporate person has no debt or it will be able to pay its debts in full from the proceeds of the assets to be sold under the proposed liquidation, (ii) the corporate person is not being liquidated to defraud any person. At the end of 30<sup>th</sup> September 2019, 498 corporate persons initiated voluntary liquidation, the details of which are given in Table 15. Final reports in respect of 144 voluntary liquidations have been submitted by 30<sup>th</sup> September 2019.

Table 15: Commencement of Voluntary Liquidations till 30<sup>th</sup> September 2019

| Quarter         | Liquidations at the beginning | Liquidation Commenced | Final Reports Submitted | Liquidations at the end |
|-----------------|-------------------------------|-----------------------|-------------------------|-------------------------|
| Apr-Jun, 2017   | 0                             | 13                    | 0                       | 13                      |
| Jul-Sept, 2017  | 13                            | 38                    | 0                       | 51                      |
| Oct-Dec, 2017   | 51                            | 56                    | 4                       | 103                     |
| Jan-Mar, 2018   | 103                           | 66                    | 6                       | 163                     |
| Apr-Jun, 2018   | 163                           | 41                    | 21                      | 183                     |
| July-Sept, 2018 | 183                           | 55                    | 2                       | 236                     |
| Oct-Dec, 2018   | 236                           | 31                    | 29                      | 238                     |
| Jan-Mar, 2019   | 238                           | 83                    | 35                      | 286                     |
| Apr-June, 2019  | 286                           | 69                    | 17                      | 338                     |
| Jul-Sept, 2019  | 338                           | 46                    | 30                      | 354                     |
| <b>Total</b>    | NA                            | 498                   | 144                     | 354                     |

Table 19: Realisations under Voluntary Liquidation

| Sl. No.   | Name of Corporate Person                                | Date of commencement | Date of Dissolution | Realisation of Assets | Amount due to Creditors | Amount paid to creditors | Liquidation Expenses | Surplus |
|---|---|----------------------|---------------------|-----------------------|-------------------------|--------------------------|----------------------|---------|
| <b>Part A: Prior Period (Till 30th June 2019)</b> |   |                      |                     |                       |                         |                          |                      |         |
| 1   | China Steel Machinery Corporation India Private Limited | 07-04-2018           | 02-05-2019          | 3.62                  | -                       | -                        | 0.42                 | 3.2     |
| 2   | Infrastructure Development Corporation of Assam Limited | 26-09-2018           | 30-05-2019          | 0.5                   | 0.02                    | 0.02                     | 0.05                 | 0.4     |
| 3   | Bhoovahana Technologies Private Limited                 | 06-04-2018           | 28-06-2019          | 1                     | -                       | -                        | 0.06                 | 0.94    |
| <b>Part B: July - September 2019</b>              |   |                      |                     |                       |                         |                          |                      |         |
| 1   | Marudhar Lease Financing Private Limited                | 15-03-2018           | 16-07-2019          | 0                     | -                       | -                        | 0                    | -       |
| 2   | Amcon Industries Private Limited                        | 10-09-2018           | 19-07-2019          | 0.02                  | -                       | -                        | 0.02                 | 0       |
| 3   | Device Forex Private Limited                            | 09-09-2017           | 26-07-2019          | 0.3                   | -                       | -                        | 0.01                 | 0.3     |
| 4   | Thiruvanniyur Credits & Investments Private Limited     | 28-03-2018           | 03-09-2019          | 0.3                   | -                       | -                        | 0                    | 0.3     |
| 5   | Moti Travels Private Limited                            | 10-09-2018           | 06-09-2019          | 0.3                   | -                       | -                        | 0.02                 | 0.3     |

The status of 498 liquidations is presented in Table 16

Table 16: Phasing of Voluntary Liquidations

| Status of Liquidation  | Number of Liquidations |
|------------------------|------------------------|
| Initiated              | 498                    |
| Final Report Submitted | 144                    |
| Closed by Dissolution  | 64                     |
| <b>Ongoing</b>         | <b>354</b>             |
| > Two Years            | 26                     |
| > 360 days ≤ 2 years   | 132                    |
| > 270 days ≤ 360 days  | 26                     |
| > 180 days ≤ 270 days  | 79                     |
| > 90 days ≤ 180 days   | 46                     |
| ≤ 90 days              | 45                     |

While 498 cases of voluntary liquidation were admitted till 30<sup>th</sup> September, 2019, the reasons for these initiations are available for 426 cases, which are presented in Table 17.

Table 17: Reasons for Voluntary Liquidation

| Sl. No.      | Reason for Voluntary Liquidation                  | No. of Corporate Persons |
|--------------|---|--------------------------|
| 1            | Not carrying business operations                  | 259                      |
| 2            | Commercially unviable                             | 59                       |
| 3            | Running into losses                               | 10                       |
| 4            | No revenue  | 19                       |
| 5            | Promoters unable to manage affairs                | 8                        |
| 6            | Purpose for which company was formed accomplished | 8                        |
| 7            | Contract termination                              | 5                        |
| 8            | Miscellaneous                                     | 58                       |
| <b>Total</b> |   | <b>426</b>               |

Most of these corporate persons are small entities. 289 of them have paid up equity capital of less than Rs. 1 crore. Only 45 of them have paid-up capital exceeding Rs. 5 crore. The corporate persons, for which details are available, have an aggregate paid up capital of Rs. 2711 crore with an outstanding debt of Rs. 861 crore. The details are presented in Table 18.

Table 18: Details of 426 Liquidations

(Amount in Rs. crore)

| Details of                                     | No. Liquidations | Paid up capital | Assets      | Outstanding debt | Amount paid to creditors |
|--|------------------|-----------------|-------------|------------------|--------------------------|
| Liquidations for which Final Reports submitted | 144              | 479             | 2873        | 4                | 4                        |
| Ongoing liquidations                           | 282              | 2232            | 1177        | *                | *                        |
| <b>Total liquidations</b>                      | <b>426</b>       | <b>2711</b>     | <b>4050</b> | <b>*</b>         | <b>*</b>                 |

\*For ongoing liquidations, outstanding debt amount is not available

It was reported in the last Newsletter that dissolution orders were passed in respect of 56 liquidations. Three more dissolution orders were later reported during that period, as indicated in Part A of Table 19. During the quarter July-September, 2019, dissolution orders in respect of five more voluntary liquidations were passed taking the total dissolutions to 64.

# Service Providers

## Insolvency Professionals

An individual, who is enrolled with an IPA as a professional member and has the required qualification and experience and passed the Limited Insolvency Examination, is registered as an IP. An IP is authorised to provide services as such under the Code. The details of IPs registered as on 30<sup>th</sup> September 2019, IPA-wise, is presented in Table 20.

Table 20: Registered IPs as on 30<sup>th</sup> September 2019 (Number)

| City / Region  | IIIP of ICAI | ICSI IIP   | IPA of ICMAI | Total       |
|--|--------------|------------|--------------|-------------|
| New Delhi  | 339          | 208        | 56           | 603         |
| Rest of Northern Region                                | 268          | 153        | 42           | 463         |
| Mumbai   | 316          | 99         | 25           | 440         |
| Rest of Western Region                                 | 215          | 98         | 29           | 342         |
| Chennai  | 110          | 70         | 11           | 191         |
| Rest of Southern Region                                | 277          | 150        | 41           | 468         |
| Kolkata  | 164          | 34         | 17           | 215         |
| Rest of Eastern Region                                 | 49           | 15         | 5            | 69          |
| <b>Total Registered</b>                                | <b>1738</b>  | <b>827</b> | <b>226</b>   | <b>2791</b> |
| Cancellations  | 1            | 3          | 0            | 4           |
| <b>Registered as on 30<sup>th</sup> September 2019</b> | <b>1737</b>  | <b>824</b> | <b>226</b>   | <b>2787</b> |

Of the 2791 IPs registered till date, registrations of four IPs have been cancelled after due disciplinary process. The registration and cancellation of IPs, quarter wise, till 30<sup>th</sup> September 2019 are presented in Table 21.

Table 21: Registration and Cancellation of Registrations of IPs

| Quarter          | No. of IPs  |           |                                      |
|------------------|-------------|-----------|--------------------------------------|
|                  | Registered  | Cancelled | Registered at the End of the Quarter |
| Jan - Mar, 2017  | 96          | 0         | 96                                   |
| Apr - Jun, 2017  | 450         | 0         | 546                                  |
| Jul - Sept, 2017 | 561         | 0         | 1107                                 |
| Oct - Dec, 2017  | 217         | 0         | 1324                                 |
| Jan - Mar, 2018  | 488         | 0         | 1812                                 |
| Apr - Jun, 2018  | 71          | 1         | 1882                                 |
| Jul - Sept, 2018 | 154         | 1         | 2035                                 |
| Oct - Dec, 2018  | 253         | 1         | 2287                                 |
| Jan - Mar, 2019  | 170         | 1         | 2456                                 |
| Apr - Jun, 2019  | 203         | 0         | 2663                                 |
| Jul - Sept, 2019 | 128         | 0         | 2791                                 |
| <b>Total</b>     | <b>2791</b> | <b>4</b>  | <b>2787</b>                          |

An individual with 10 years of experience as a member of the ICAI, ICSI, ICMAI or a Bar Council or an individual with 15 years of experience in management is eligible for registration as an IP on passing the Limited Insolvency Examination. Table 22 presents distribution of IPs as per their eligibility (an IP may be a member of more than one Institute) as on 30<sup>th</sup> September 2019.

Table 22: Distribution of IPs as per their Eligibility

| Eligibility           | No. of IPs  |            |             |
|-----------------------|-------------|------------|-------------|
|                       | Male        | Female     | Total       |
| Member of ICAI        | 1420        | 130        | 1550        |
| Member of ICSI        | 434         | 80         | 514         |
| Member of ICMAI       | 143         | 11         | 154         |
| Member of Bar Council | 160         | 20         | 180         |
| Managerial Experience | 378         | 15         | 393         |
| <b>Total</b>          | <b>2535</b> | <b>256</b> | <b>2791</b> |

Table 23 presents the age profile of the IPs registered as on 30<sup>th</sup> September 2019.

Table 23: Age Profile of IPs

| Age Group (in years) | IIIP of ICAI | ICSI IIP   | IPA of ICMAI | Total       |
|----------------------|--------------|------------|--------------|-------------|
| ≤ 40                 | 221          | 78         | 3            | 302         |
| > 40 ≤ 50            | 615          | 297        | 41           | 953         |
| > 50 ≤ 60            | 568          | 220        | 57           | 845         |
| > 60 ≤ 70            | 310          | 212        | 120          | 642         |
| > 70 ≤ 80            | 20           | 17         | 5            | 42          |
| > 80 ≤ 90            | 3            | 3          | 0            | 6           |
| > 90                 | 1            | 0          | 0            | 1           |
| <b>Total</b>         | <b>1738</b>  | <b>827</b> | <b>226</b>   | <b>2791</b> |

## Panel for Administrator

In accordance with Guidelines for Appointment of IPs as Administrators under the SEBI (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018, IBBI prepared the panel of IPs for October 2019 - March 2020 and shared the same with SEBI. Table 24 presents zone wise number of IPs empaneled for the period from October 2019 - March 2020.

Table 24: Zone wise Number of IPs in the Panel

| Zone         | No. of IPs |
|--------------|------------|
| New Delhi    | 141        |
| Mumbai       | 79         |
| Chennai      | 75         |
| Chandigarh   | 56         |
| Kolkata      | 56         |
| Hyderabad    | 50         |
| Ahmedabad    | 34         |
| Bengaluru    | 28         |
| Allahabad    | 27         |
| Jaipur       | 18         |
| Cuttack      | 12         |
| Kochi        | 11         |
| Guwahati     | 1          |
| <b>Total</b> | <b>588</b> |

## Replacement of IRP with RP

Section 22(2) of the Code provides that the CoC may, in its first meeting, by a majority vote of not less than 66% of the voting share of the FCs, either resolve to appoint the IRP as the RP or to replace the IRP by another IP to function as the RP. Under section 22(4) of the Code, the AA shall forward the name of the RP, proposed by the CoC, under section 22(3)(b) of the Code, to IBBI for its confirmation and shall make such appointment after such confirmation. However, to save time in such reference, a database of all the IPs registered with IBBI has been shared with the AA, disclosing whether any disciplinary proceeding is pending against them. While the database is currently being used by various benches of AA, in a few cases, IBBI receives references from the AA and promptly responds to the AA. Till 30<sup>th</sup> September 2019, a total of 595 IRPs has been replaced with RPs, as shown in Table 25.

Table 25: Replacement of IRP with RP as on 30<sup>th</sup> September 2019

| CIRP initiated by    | No. of CIRPs                  |                                    |
|----------------------|-------------------------------|------------------------------------|
|                      | Where RPs have been appointed | Where RP is different from the IRP |
| Corporate Applicant  | 210                           | 98                                 |
| Operational Creditor | 936                           | 290                                |
| Financial Creditor   | 861                           | 207                                |
| <b>Total</b>         | <b>2007</b>                   | <b>595</b>                         |

## Insolvency Professional Entities

During the quarter under review, seven IPEs were recognized. As on 30<sup>th</sup> September 2019, there are 61 IPEs. The details of IPEs are given in Table 26.

Table 26: IPEs as on 30<sup>th</sup> September 2019

| Quarter        | No. of IPEs |              |                           |
|----------------|-------------|--------------|---------------------------|
|                | Recognised  | Derecognised | At the End of the Quarter |
| Jan-Mar, 2017  | 3           | 0            | 3                         |
| Apr-Jun, 2017  | 14          | 0            | 17                        |
| Jul-Sept, 2017 | 22          | 1            | 38                        |
| Oct-Dec, 2017  | 18          | 0            | 56                        |
| Jan-Mar, 2018  | 19          | 0            | 75                        |
| Apr-Jun, 2018  | 1           | 3            | 73                        |
| Jul-Sept, 2018 | 4           | 4            | 73                        |
| Oct-Dec, 2018  | 3           | 20           | 56                        |
| Jan-Mar, 2019  | 5           | 13           | 48                        |
| Apr-Jun, 2019  | 6           | 0            | 54                        |
| Jul-Sept, 2019 | 7           | 0            | 61                        |
| <b>Total</b>   | <b>102</b>  | <b>41</b>    | <b>61</b>                 |

## Insolvency Professional Agencies

IPAs are frontline regulators and responsible for developing and regulating the profession of IPs. There are three IPAs registered in accordance with the provisions of the IPA Regulations. IBBI meets MDs / CEOs of IPAs on 7<sup>th</sup> of every month to discuss the issues arising from the IP profession and to enquire them to discharge their responsibilities. The IPAs are conducting pre-registration educational course for prospective IPs and roundtables and seminars, workshop and webinars for building capacity of IPs. They are monitoring disclosures by IPs in respect of relationship and fee and expenses of CIRPs and disseminating the same on their respective websites. They conduct and monitor CPE of their members. They have been empowered to issue AFA to IPs who are their members.

## Information Utility

There is one IU, namely, the National e-Governance Service Limited (NeSL). IBBI meets the MD & CEO of the IU along with the CEOs of IPAs every month to discuss the issues related to receipt and authentication of financial information. IBBI has requested IPAs to encourage their members to make use of the information stored with IU for verification of claims during CIRP. Table 27 provides details of the registered users and information with NeSL, as informed by them.

Table 27: Details of Information with NeSL (Number, except as stated)

| At the end of quarter | Creditors having agreement with NeSL |     | Creditors who have submitted information |     | Debtors whose information is submitted by creditors |      | Loan records on-boarded |       | User registrations by Debtors |     | Loan records authenticated by Debtors |     | Amount of underlying debt (Rs. crore) |       |
|-----------------------|--------------------------------------|-----|--|-----|---|------|-------------------------|-------|-------------------------------|-----|---------------------------------------|-----|---------------------------------------|-------|
|                       | FCs                                  | OCs | FCs                                      | OCs | FCs   | OCs  | FCs                     | OCs   | FCs                           | OCs | FCs                                   | OCs | FCs                                   | OCs   |
| June, 2018            | 66                                   | NA  | 21                                       | 105 | 69184   | 52   | 191247                  | 105   | 1024                          | 10  | 1364                                  | 05  | NA                                    | NA    |
| Sept, 2018            | 85                                   | NA  | 40                                       | 144 | 836302  | 135  | 1222737                 | 207   | 5111                          | 10  | 6079                                  | 32  | 2016708                               | 530   |
| Dec, 2018             | 108                                  | NA  | 68                                       | 140 | 980724  | 202  | 1438390                 | 280   | 10247                         | 44  | 10065                                 | 35  | 2732805                               | 1094  |
| Mar, 2019             | 173                                  | NA  | 114                                      | 169 | 1266445   | 230  | 1955230                 | 316   | 15085                         | 63  | 13762                                 | 37  | 4114988                               | 16224 |
| Jun, 2019             | 209                                  | NA  | 160                                      | 231 | 2531930   | 570  | 3911146                 | 52766 | 23482                         | 83  | 22323                                 | 40  | 4910552                               | 20455 |
| Sept, 2019            | 226                                  | NA  | 218                                      | 297 | 2737049   | 1764 | 4421280                 | 86766 | 31969                         | 208 | 35560                                 | 61  | 5625318                               | 28016 |

The amendment in the IU Regulations notified on 25<sup>th</sup> July 2019 provides that the IU shall ensure delivery of information of default in the manner provided. The processes of authentication and verification of the information of default shall be considered complete on the acceptance of

default by the corporate debtor or on receipt of a notice of dispute. Further, on expiry of the period of authentication as specified under the Guidelines for Technical Standards, the information of default shall be deemed have been authenticated.

## Registered Valuers

Registered Valuer Organisations (RVOs) are frontline regulators for the RVs. They are responsible for development and regulation of the profession of RVs. The Companies (Registered Valuers and Valuation) Rules, 2017 notified under the Companies Act, 2013 provide a comprehensive framework for development and regulation of the valuers and recognition of RVOs. At the end of 30<sup>th</sup> September 2019, 11 entities have been recognised as RVOs. There are 9 RVOs in each asset class, namely, Land and Building, Plant and Machinery and Securities or Financial Assets.

A fit and proper person, who is enrolled with an RVO as a valuer member and has the required qualification and experience and has passed the Valuation Examination of the relevant asset class, is registered as a valuer. Only RVs are authorised to undertake valuations required under the Companies Act, 2013 and the Code. The details of RVs, RVO-wise, as on 30<sup>th</sup> September 2019, is given in Table 28. In addition, there are 11 entities (Partnership Entity / Company) registered as RV as on 30<sup>th</sup> September 2019.

Table 28: Registered Valuers as on 30<sup>th</sup> September 2019 (Number)

| Registered Valuer Organisation                | Asset Class     |                   |                                | Total       |
|---|-----------------|-------------------|--------------------------------|-------------|
|   | Land & Building | Plant & Machinery | Securities or Financial Assets |             |
| Institution of Estate Managers and Appraisers | 38              | 5                 | 4                              | 47          |
| IOV Registered Valuers Foundation             | 846             | 137               | 94                             | 1077        |
| ICSI Registered Valuers Organisation          | 0               | 0                 | 53                             | 53          |
| The Indian Institution of Valuers             | 67              | 19                | 22                             | 108         |
| ICMAI Registered Valuers Organisation         | 13              | 12                | 132                            | 157         |
| ICAI Registered Valuers Organisation          | NA              | NA                | 448                            | 448         |
| PVAI Valuation Professional Organisation      | 205             | 35                | 17                             | 257         |
| CVSRTA Registered Valuers Association         | 161             | 47                | NA                             | 208         |
| Association of Certified Valuers and Analysts | NA              | NA                | 0                              | 0           |
| CEV Integral Appraisers Foundation            | 9               | 5                 | 0                              | 14          |
| Divya Jyoti Foundation                        | 0               | 0                 | 5                              | 5           |
| <b>Total</b>                                  | <b>1339</b>     | <b>260</b>        | <b>775</b>                     | <b>2374</b> |

The registration of RVs, quarter-wise, till 30<sup>th</sup> September 2019 is given in Table 29.

Table 29: Registration of RVs till 30<sup>th</sup> September 2019 (Number)

| Quarter         | Land & Building | Plant & Machinery | Securities or Financial Assets | Total       |
|-----------------|-----------------|-------------------|--------------------------------|-------------|
| Apr - Jun 2018  | 1               | 2                 | 0                              | 3           |
| Jul - Sept 2018 | 38              | 13                | 21                             | 72          |
| Oct - Dec 2018  | 280             | 43                | 118                            | 441         |
| Jan - Mar 2019  | 462             | 63                | 145                            | 670         |
| Apr - Jun 2019  | 346             | 81                | 300                            | 727         |
| Jul - Sept 2019 | 212             | 58                | 191                            | 461         |
| <b>Total</b>    | <b>1339</b>     | <b>260</b>        | <b>775</b>                     | <b>2374</b> |

Of the total RVs registered as on 30<sup>th</sup> September 2019, 685 RVs (constituting 29% of the total RVs registered) are from metros while 1689 RVs (constituting 71% of the total RVs registered) are from non-metro locations. Geographical distribution of RVs, as on 30<sup>th</sup> September 2019, is given in Table 30.

Table 30: Region wise Registered Valuers as on 30<sup>th</sup> September 2019

(Number)

| City / Region           | Land & Building | Plant & Machinery | Securities or Financial Assets | Total       |
|-------------------------|-----------------|-------------------|--------------------------------|-------------|
| New Delhi               | 51              | 22                | 85                             | 158         |
| Rest of Northern Region | 158             | 33                | 107                            | 298         |
| Mumbai                  | 84              | 36                | 137                            | 257         |
| Rest of Western Region  | 381             | 71                | 117                            | 569         |
| Chennai                 | 89              | 23                | 85                             | 197         |
| Rest of Southern Region | 551             | 62                | 186                            | 799         |
| Kolkata                 | 8               | 12                | 53                             | 73          |
| Rest of Eastern Region  | 17              | 1                 | 5                              | 23          |
| <b>Total</b>            | <b>1339</b>     | <b>260</b>        | <b>775</b>                     | <b>2374</b> |

The average age of RVs as on 30<sup>th</sup> September 2019 stood at 48 years across asset classes. It was 48 years for Land and Building, 53 years for Plant and machinery and 43 years for Securities or Financial assets. Age profile of RVs, as on 30<sup>th</sup> September 2019, is given in Table 31. Of the 2374 RVs as on

## Complaints and Grievances

IBBI (Grievance and Complaint Handling Procedure) Regulations, 2017 enable a stakeholder to file a grievance or a complaint against a service provider. Besides this, grievances and complaints are received from the Centralised Public Grievance Redress and Monitoring System (CPGRAMS), Prime Minister's Office, MCA and other authorities. The receipt and disposal of grievances and complaints till 30<sup>th</sup> September 2019 is given in Table 32.

Table 32: Receipt and Disposal of Grievances and Complaints till 30<sup>th</sup> September 2019

(Number)

| Period              | Complaints and Grievances Received |            |   |            |                     |            | Total       |             |                   |
|---------------------|------------------------------------|------------|---|------------|---------------------|------------|-------------|-------------|-------------------|
|                     | Under the Regulations              |            | Through CPGRAM/PMO/MCA/Other Authorities) |            | Through Other Modes |            | Received    | Disposed    | Under Examination |
|                     | Received                           | Disposed   | Received                                  | Disposed   | Received            | Disposed   |             |             |                   |
| 2017-18             | 18                                 | 0          | 6   | 0          | 22                  | 2          | 46          | 2           | 44                |
| 2018-19             | 111                                | 51         | 333                                       | 290        | 693                 | 380        | 1137        | 721         | 460               |
| April-June 2019     | 36                                 | 21         | 60  | 74         | 149                 | 207        | 245         | 302         | 403               |
| July-September 2019 | 42                                 | 41         | 46  | 35         | 67                  | 36         | 155         | 112         | 446               |
| <b>Total</b>        | <b>207</b>                         | <b>113</b> | <b>445</b>                                | <b>399</b> | <b>931</b>          | <b>625</b> | <b>1583</b> | <b>1137</b> | <b>446</b>        |

## Examinations

### Limited Insolvency Examination

IBBI has successfully completed four phases of the Limited Insolvency Examination. With conclusion of the fourth phase of the Examination on 30<sup>th</sup> June 2019, the fifth phase commenced on 1<sup>st</sup> July 2019. The Examination is reviewed continuously to keep it relevant in the dynamic market environment. It is available on daily basis from various locations across the country. IBBI publishes the syllabus, format etc. of the Examination under regulation 3(3) of the IBBI (Insolvency Professionals) Regulations, 2016. The details of the Examination are given in the Table 33.

Table 33: Limited Insolvency Examination

| Phase / Period                        | No. of Attempts (some candidates made more than one attempt) | No. of Successful Attempts |
|---------------------------------------|--|----------------------------|
| First Phase (Jan - Jun, 2017)         | 5329   | 1202                       |
| Second Phase (Jul - Dec, 2017)        | 6237   | 1112                       |
| Third Phase (Jan - Oct, 2018)         | 6344   | 1011                       |
| Fourth Phase (Nov - 2018 - June 2019) | 3025   | 506                        |
| Fourth Phase (Jul 2019 - Sept 2019)   | 710  | 95                         |
| <b>Total</b>                          | <b>21645</b>   | <b>3926</b>                |

30<sup>th</sup> September 2019, 201 RVs (constituting 8.47% of the total registered valuers) are female.

Table 31: Age Profile of RVs

(Number)

| Age Group (in years) | Land & Building | Plant & Machinery | Securities or Financial Assets | Total       |
|----------------------|-----------------|-------------------|--------------------------------|-------------|
| < 30                 | 45              | 3                 | 78                             | 126         |
| > 30 ≤ 40            | 182             | 39                | 289                            | 510         |
| > 40 ≤ 50            | 405             | 64                | 225                            | 694         |
| > 50 ≤ 60            | 576             | 78                | 136                            | 790         |
| > 60 ≤ 70            | 112             | 57                | 47                             | 216         |
| > 70 ≤ 80            | 18              | 18                | 0                              | 36          |
| > 80                 | 1               | 1                 | 0                              | 2           |
| <b>Total</b>         | <b>1339</b>     | <b>260</b>        | <b>775</b>                     | <b>2374</b> |

### Valuation Examinations

IBBI, being the Authority, under the Companies (Registered Valuers and Valuation) Rules, 2017, commenced the valuation examinations for the asset classes of: (a) Land and Building, (b) Plant and Machinery and (c) Securities or Financial Assets on 31<sup>st</sup> March 2018. With the conclusion of the first phase on 31<sup>st</sup> March, 2019, the second phase commenced on 1<sup>st</sup> April 2019. It is a computer based online Examination available from several locations across India. The details of the Examination are given in Table 34.

Table 34: Valuation Examinations

| Phase/Quarter                     | No. of Attempts (some candidates made more than one attempt) in Asset Class |                   |                               | No. of Successful Attempts in Asset Class |                   |                                |
|-----------------------------------|---|-------------------|-------------------------------|---|-------------------|--------------------------------|
|                                   | Land & Building   | Plant & Machinery | Securities or Financial Asset | Land & Building                           | Plant & Machinery | Securities or Financial Assets |
| First Phase (Mar 2018 - Mar 2019) | 9469  | 1665              | 4496                          | 1748                                      | 324               | 707                            |
| Second Phase (Apr - June 2019)    | 626   | 154               | 1155                          | 49  | 16                | 143                            |
| Second Phase (Jul - Sept 2019)    | 994   | 187               | 1426                          | 96  | 23                | 195                            |
| <b>Total</b>                      | <b>11089</b>  | <b>2006</b>       | <b>7077</b>                   | <b>1893</b>                               | <b>363</b>        | <b>1045</b>                    |

# Building Ecosystem

## IBBI Research Initiative

IBBI, in its endeavour to promote research - legal, economic and interdisciplinary - and discourse in areas relevant for the evolving insolvency and bankruptcy regime in general, and that in India, has announced the IBBI Research Initiative, 2019 on 1<sup>st</sup> July 2019. A Researcher may submit a research proposal under this Initiative. The research proposal shall be screened by IBBI to verify that it is properly structured and is covered under the Initiative. It will be reviewed by an external referee on the criteria: (a) Does the proposal address an important issue in insolvency and bankruptcy regime in India; and (b) Does the proposal offer a clear methodology to address the said issue. If the proposal is accepted by the IBBI on advice of the referee, the researcher needs to submit the research paper within six months. The research paper shall be reviewed similarly by an external referee.

## Graduate Insolvency Programme

The Indian Institute of Corporate Affairs (IICA) commenced the first batch of Graduate Insolvency Programme (GIP) on 1<sup>st</sup> July 2019. The GIP is a 24-month programme consisting of a residential class-room component of 12 months and a hands-on internship component at the cutting edge of practice of 12 months. It aims to deliver a cadre of top-quality IPs who can deliver world class services as IPs, liquidators or in other capacities. A student completing the GIP would be eligible for registration as IP.



1<sup>st</sup> Batch of GIP at IICA, 8<sup>th</sup> July 2019

## Working Groups

The Working Group (WG) on Individual Insolvency and Bankruptcy, chaired by Mr. P. K. Malhotra, former Law Secretary, held its 9<sup>th</sup> meeting on 18<sup>th</sup> July 2019. It deliberated on various aspects of operationalization of fresh start process for individual insolvency resolution and the possibility of providing for mediation mechanism for individual insolvency cases under the Code.



Meeting of WG on Individual Insolvency, 18<sup>th</sup> July 2019

The WG on 'Tracking Outcomes of IBC vis-à-vis its Objectives', which was constituted under the Chairmanship of Mr. G. N. Bajpai (Former Chairman, SEBI and Chairman, LIC), had its first meeting on 24<sup>th</sup> July 2019 and second meeting on 23<sup>rd</sup> August 2019. The Group will design a framework for assessment of performance of the insolvency regime in the country in terms of its effectiveness, efficiency and efficacy. Such a framework would inform various stakeholders, in a structured manner, of the outcomes of the new regime, and enable organisation and availability of information required for the framework.



Meeting of the Working Group on Tracking Outcomes, 23<sup>rd</sup> August 2019

The WG on Group Insolvency, which was constituted under the Chairmanship of Mr. U. K. Sinha (Former Chairman, Securities and Exchange Board of India) on 17<sup>th</sup> January 2019, submitted its report to IBBI on 23<sup>rd</sup> September 2019. While keeping in mind the basic legal principles of separate legal personality, asset partitioning and limited liability on the basis of which modern commerce is organised, the WG has presented a blueprint of a 'Group Insolvency Framework' that balances competing

considerations in the interests of value maximisation, credit growth and promotion of entrepreneurship. It envisages an enabling group insolvency framework, to be implemented in a phased manner. The first phase may facilitate procedural co-ordination of only companies in domestic groups. Cross-border group insolvency and substantive consolidation could be considered at a later stage, depending on the experience of implementing the earlier phases of the framework, and the felt need at the relevant time.



Meeting of WG on Group Insolvency, 23<sup>rd</sup> September 2019



17<sup>th</sup> IP Workshop in Chennai, 26<sup>th</sup>-27<sup>th</sup> July 2019



18<sup>th</sup> IP Workshop in Kolkata, 20<sup>th</sup>-21<sup>st</sup> September 2019

IBBI organised the first Advanced IP Workshop for IPs on 30<sup>th</sup>-31<sup>st</sup> August 2019 to deliver specialised and deep learning. It was on the theme 'Forensic Audit and Valuation for Insolvency Professionals'. 25 IPs attended the workshop.



1<sup>st</sup> Advanced IP Workshop in New Delhi, 30<sup>th</sup>-31<sup>st</sup> August 2019

## Paper Presentation by RAs

The Indian Institute of Management Ahmedabad (IIMA), in collaboration with the World Bank Group, organised a Research Conference on Financial Distress, Bankruptcy, and Corporate Finance during 9<sup>th</sup> -10<sup>th</sup> August 2019. Three Research Associates from IBBI presented papers at the Conference:

| Sl. No. | Name of Research Associate | Title of Paper   |
|---------|----------------------------|--|
| 1       | Ms. Pihu Mishra            | Application of Alternate Dispute Resolution Mechanism in Individual Insolvency Law: Study in light of I&B Code, 2016 |
| 2       | Ms. Surbhi Kapur           | Intersection of Economic Legislations in Corporate Insolvency Resolution in India                                    |
| 3       | Mr. Animesh Khandelwal     | Dawn of a New Era: Insolvency Professionals under the Personal Insolvency Regime of India                            |

Ms. Surbhi Kapur and Mr. Animesh Khandelwal presented a joint research paper on 'Financial Distress Resolution and the Role of Insolvency Practitioners: Unearthing Best Practices and Crystallizing Regulation' at the 15<sup>th</sup> Annual Conference of the INSOL Europe Academic Forum, held in Copenhagen, Denmark, during 25<sup>th</sup> -26<sup>th</sup> September 2019. The theme for the conference was: 'Harmonisation of insolvency and restructuring laws in the EU'.

## Workshops and Roundtables

### IP Workshops

IBBI has been organising two-day workshops for newly registered IPs with a view to build their capacity. During the quarter, IBBI organised the 17<sup>th</sup> IP workshop, in the series, on 26<sup>th</sup>-27<sup>th</sup> August 2019 at Chennai, with participation of 45 IPs. It organised the 18<sup>th</sup> IP workshop, in the series, on 20<sup>th</sup>-21<sup>st</sup> September 2019 at Kolkata, which witnessed participation of 19 IPs.



## CoC Workshops

IBBI has been organising workshops for senior officers of banks to build their capacity as members of CoCs. It organised the fourth workshop in the series on the theme 'Committee of Creditors: An Institution of Public Trust', in association with State Bank of India, at Gurugram, Haryana on 24<sup>th</sup> August 2019. 23 senior officers (General Managers, Executive Directors, CEO and MD) of the major scheduled commercial banks participated in the workshop.



CoC Workshop in Gurugram, 24<sup>th</sup> August 2019

## Roundtables

IBBI conducted several roundtables on different themes to build capacity of stakeholders, understand the ground realities and seek feedback of the stakeholders for further refinements and improvements. The details of workshops and roundtables, organised by IBBI during the quarter, are presented in Table 35.



Roundtable in Ahmedabad, 8<sup>th</sup> August 2019



Roundtable in Nagpur, 13<sup>th</sup> August 2019

Table 35: Workshops and Roundtables

| Sl. No. | Date(s)           | Place     | Programme         | Subject                        | Participation               | Partnership with, if any                                  |
|---------|-------------------|-----------|-------------------|--------------------------------|-----------------------------|---|
| 1       | 26-07-19-27-07-19 | Chennai   | Workshop          | IBC and CIRP                   | IPs & Others                | ICAI  |
| 2       | 05-08-19          | Hyderabad | Roundtable        | CIRP and Liquidation           | IPs & Others                | IIIP of ICAI  |
| 3       | 06-08-19          | Chennai   | Roundtable        | Amendments to IBC              | IPs & Others                | ICSI IIP  |
| 4       | 08-08-19          | Ahmedabad | Roundtable        | Individual Insolvency          | IPs & Others                | ICSI IIP  |
| 5       | 09-08-19          | New Delhi | Roundtable        | CIRP and Liquidation           | IPs & Others                | IPA of ICMAI  |
| 6       | 13-08-19          | Nagpur    | Roundtable        | IP, IPA and IU                 | IPs & Others                | ICSI IIP  |
| 7       | 14-08-19          | Mumbai    | Roundtable        | Amendments to the IBC          | IPs & Others                | IIIP of ICAI  |
| 8       | 21-08-19          | Kolkata   | Roundtable        | CIRP and Liquidation           | IPs & Others                | IPA of ICMAI  |
| 9       | 23-08-19          | Guwahati  | Roundtable        | Individual Insolvency          | IPs & Others                | IPA of ICMAI  |
| 10      | 24-08-19          | Gurugram  | Workshop          | CoC                            | Bankers                     | SBI   |
| 11      | 30-08-19-31-08-19 | New Delhi | Advanced Workshop | Valuation and Forensic Audit   | IPs                         | --  |
| 12      | 06-09-19          | New Delhi | Workshop          | IBC, CIRP and CoC.             | Students, Faculty & Bankers | Indian Institute of Banking and Finance (IIBF)            |
| 13      | 07-09-19          | Mumbai    | Workshop          | IBC, CIRP, Forensic Audit, CoC | Students, Faculty & IPs     | Maharashtra National Law University (MNLU)                |
| 14      | 07-09-19          | Hyderabad | Workshop          | IBC and CIRP                   | Bankers, IPs & Faculty      | Jawaharlal Nehru Institute of Banking and Finance (JNIBF) |
| 15      | 11-09-19          | New Delhi | Webinar           | Verification of Claims         | IPs                         | ICSI IIP  |
| 16      | 19-09-19          | New Delhi | Webinar           | Filing of CIRP Forms           | IPs                         | IPAs  |
| 17      | 20-09-19-21-09-19 | Kolkata   | Workshop          | IBC and CIRP                   | IPs                         | ICSI  |
| 18      | 26-09-19          | New Delhi | Webinar           | Filing of CIRP Forms           | IPs                         | IIIP of ICAI  |
| 19      | 26-09-19          | Ahmedabad | Roundtable        | Valuation Profession           | RVs & IPs                   | ICAI  |
| 20      | 27-09-19          | Kolkata   | Roundtable        | Valuation Profession           | RVs & IPs                   | ICAI  |
| 21      | 28-09-19          | Raipur    | Roundtable        | Valuation Profession           | RVs & IPs                   | ICAI  |
| 22      | 28-09-19          | Chennai   | Roundtable        | Valuation Profession           | RVs & IPs                   | ICAI  |



Roundtable in Kolkata, 21<sup>st</sup> August 2019



MNLU Workshop in Mumbai, 7<sup>th</sup> September 2019

## Advocacy and Awareness

IBBI organised a number of advocacy and awareness programmes during the quarter on its own and in association with stakeholders, or was associated with stakeholders in organising such programmes, the details of which are presented in Table 36.

Table 36: Advocacy and Awareness Programmes

| Sl. No. | Date(s)  | Place      | Programme  | In Partnership with                      |
|---------|----------|------------|------------|--|
| 1       | 05-07-19 | Dehradun   | Awareness  | IPA of ICAI                              |
| 2       | 13-07-19 | Chandigarh | Awareness  | IPA of ICAI                              |
| 3       | 26-07-19 | Hyderabad  | Conference | ASSOCHAM                                 |
| 4       | 27-07-19 | Jodhpur    | Awareness  | IPA of ICAI                              |
| 5       | 10-08-19 | Coimbatore | Awareness  | IPA of ICAI                              |
| 6       | 17-08-19 | Bhopal     | Seminar    | National law Institute University (NLIU) |
| 7       | 31-08-19 | Bangalore  | Conference | ASSOCHAM                                 |
| 8       | 14-09-19 | Lucknow    | Awareness  | RMLNLU, Lucknow and IPA of ICAI          |
| 9       | 16-09-19 | Kochi      | Awareness  | IPA of ICAI                              |
| 10      | 21-09-19 | Chennai    | Conference | ASSOCHAM                                 |
| 11      | 21-09-19 | Kota       | Awareness  | IPA of ICAI                              |
| 12      | 28-09-19 | Bangalore  | Conclave   | ICSI                                     |



Roundtable in Guwahati, 23<sup>rd</sup> August 2019



IIBF Workshop in New Delhi, 6<sup>th</sup> September 2019



ASSOCHAM Conference in Hyderabad, 26<sup>th</sup> July 2019



NLIU Seminar in Bhopal, 17<sup>th</sup> August 2019



ASSOCHAM Conference in Bangalore, 31<sup>st</sup> August 2019



IPA of ICAI Programme in Kochi, 16<sup>th</sup> September 2019



PHDCCI Seminar in Chandigarh, 24<sup>th</sup> September 2019

Senior officers of IBBI participated as Guests and faculty in several programmes during the quarter, the details of which are presented in Table 37.

Table 37: Participation of Senior Officers in Programmes

| Sl No. | Date     | Venue      | Organiser           | Programme  | Subject                                | Participation                    |
|--------|----------|------------|---------------------|------------|--|----------------------------------|
| 1      | 02-07-19 | New Delhi  | ICSI IIP            | Webinar    | Fraudulent Transactions                | Chairperson                      |
| 2      | 03-07-19 | New Delhi  | IPA of ICAI         | Workshop   | Forensic Audit                         | Dr. Navrang Saini, WTM           |
| 3      | 08-07-19 | Manesar    | IICA                | Launch     | GIP                                    | Chairperson                      |
| 4      | 12-07-19 | New Delhi  | Hopkins University  | Panel      | Regulations in India                   | Chairperson                      |
| 5      | 19-07-19 | Manesar    | IICA                | Session    | Economics of Insolvency                | Chairperson                      |
| 6      | 22-07-19 | New Delhi  | NLUD                | Panel      | RP and Oversight Institutions          | Chairperson                      |
| 7      | 24-07-19 | New Delhi  | ICSI IIP            | Webinar    | Using Information Utilities            | Mr. Debajyoti Ray Chaudhari, CGM |
| 8      | 25-07-19 | New Delhi  | NLUD                | Colloquium | NCLT & Ease of Doing Business          | Chairperson                      |
| 9      | 27-07-19 | New Delhi  | ICSI IIP            | Webinar    | Section 66 applications                | Chairperson                      |
| 10     | 31-07-19 | Mumbai     | CVSRTA RVA          | Session    | Valuation                              | Chairperson                      |
| 11     | 09-08-19 | Ahmedabad  | IIMA and World Bank | Conference | Financial Distress & Corporate Finance | Chairperson                      |
| 12     | 24-08-19 | Manesar    | IICA                | Session    | IBC Amendments                         | Chairperson                      |
| 13     | 10-09-19 | Singapore  | HCI in Singapore    | Summit     | Cracking IBC                           | Chairperson                      |
| 14     | 19-09-19 | Belfast    | IAIR                | Conference | Markets for Insolvency Practice        | Chairperson                      |
| 15     | 24-09-19 | Chandigarh | PHDCCI              | Seminar    | IBC & NPAs of Banks                    | Dr. Mukulita Vijayawargiya, WTM  |
| 16     | 28-09-19 | Manesar    | IICA                | Session    | Resolution of FSPs                     | Chairperson                      |



ASSOCHAM Conference in Chennai, 21<sup>st</sup> September 2019



ICSI Conclave in Bangalore, 28<sup>th</sup> September 2019

### Business and Innovation Summit

Dr. M. S. Sahoo, Chairperson attended a two-day Business and Innovation Summit, 'India-Singapore: The Next Phase', organised by High Commission of India in Singapore on 9<sup>th</sup>-10<sup>th</sup> September 2019 in Singapore. He participated in a panel discussion on 'Cracking the Insolvency and Bankruptcy Code'. He had one-on-one meetings with potential investors in distressed assets. These meetings provided an opportunity to the investors to understand the details of the insolvency reforms, all around endeavour shown by India in addressing the issues expeditiously by either judicial, legislative or executive intervention and investment options and opportunities in stressed assets in India.



Business and Innovation Summit in Singapore, 10<sup>th</sup> September 2019

### IAIR Annual Conference

Dr. M. S. Sahoo, Chairperson attended the International Association of Insolvency Regulators (IAIR) Annual Conference and Meeting, 2019 on 18<sup>th</sup>-19<sup>th</sup> September 2019 in Belfast, Northern Ireland. He made a presentation in a plenary session on 'Competitive Markets for Insolvency Practice' sharing, *inter alia*, the progress in implementation of insolvency reforms and the state of markets for professional services and resolution plans. The IAIR provides a platform for high level dialogue and peer to peer learning for Insolvency Regulators, public policy makers, international experts and private practitioners on insolvency reforms all around the globe.



IAIR Annual Conference in Belfast, 19<sup>th</sup> September 2019

Disclaimer: This Newsletter is meant for the sole purpose of creating awareness and must not be used as a guide for taking or recommending any action or decision, commercial or otherwise. The reader must do his own research or seek professional advice if he intends to take any action or decision in any matter covered in this Newsletter.