



भारतीय विवादा और शोधन अक्षमता बोर्ड
Insolvency and Bankruptcy Board of India

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Insolvency and Bankruptcy News

The Quarterly Newsletter of the Insolvency and Bankruptcy Board of India

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AS INTRODUCED IN THE RAJYA SABHA

Bill No. XXVI of 2019

THE INSOLVENCY AND BANKRUPTCY CODE (AMENDMENT) BILL, 2019

BILL

further to amend the Insolvency and Bankruptcy Code, 2016.

Be it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Insolvency and Bankruptcy Code (Amendment) Act, 2019.

Short title and commencement.

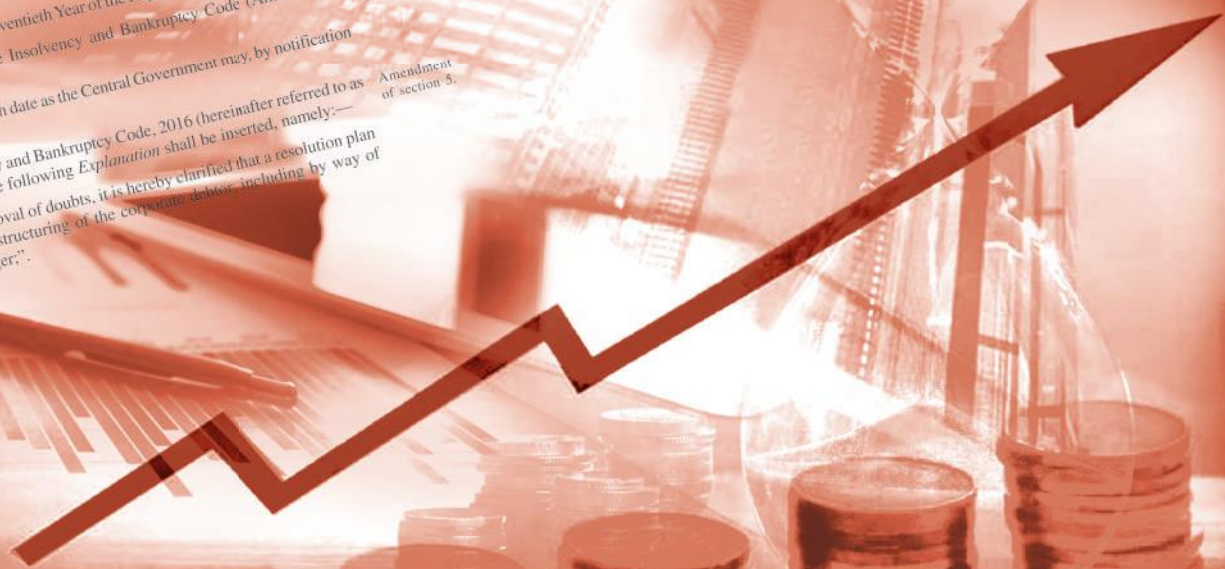
(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of section 5.

2. In section 5 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the principal Act), in clause (26), the following Explanation shall be inserted, namely:—

“Explanation.— For the removal of doubts, it is hereby clarified that a resolution plan may include provisions for the restructuring of the corporate debtor, including by way of merger, amalgamation and demerger;”.

IBC



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Excerpt from the address by Hon'ble President of India, Shri Ram Nath Kovind to the Joint Session of Parliament on 20th June, 2019:

“Insolvency and Bankruptcy Code is among the biggest and most impactful economic reforms undertaken in the country. With the coming into force of this Code, banks and other financial institutions have been able to settle directly or indirectly an amount of more than Rs. 3 lakh 50 thousand crore. This Code has also curbed the tendency of willfully defaulting on loans taken from banks and other financial institutions.”

THIRD ANNUAL DAY OF IBBI

Mr. Tushar Mehta, Learned Solicitor General of India shall deliver the third annual day lecture at 5 pm on 1st October, 2019 at the Nehru Memorial Museum and Library, Teen Murti House, New Delhi 110011.

From Chairperson's Desk

A Resolve for Resolution

The Bill reinforces the need for time bound insolvency resolution of corporate debtors for maximisation of value of their assets.

Prior to the enactment of the Insolvency and Bankruptcy Code, 2016 (Code), India did not have any experience of a proactive, incentive-compliant, market-led, and time-bound insolvency law. Many institutions required for implementation of a state-of-the-art insolvency regime did not exist. The Code and the reform it embodies is, in many ways, a journey into an uncharted territory. It is, therefore, important to have course corrections in the initial years, to address deficiencies arising from implementation of the Code, in sync with the emerging market realities, to further its objectives. The Insolvency and Bankruptcy Code (Amendment) Bill, 2019 (Bill), introduced in the Parliament on 24th July, 2019 is one such attempt. The key features of this Bill are as follows:

Resolution Plan: The Code defines resolution plan to mean a plan for insolvency resolution of a corporate debtor (CD) as a 'going concern'. This gives an impression that the CD must continue to exist, post-resolution. The very first resolution plan approved under the Code extinguished the CD through its amalgamation, while providing for continuity of business (R1). This approval was appealed against *inter alia* on the ground that such extinguishment of the CD was not permissible under a resolution plan. While dismissing the appeal, the NCLAT clarified that a resolution plan may provide for merger and amalgamation (R2). The Bill makes explicit what was implicit and clarifies that a resolution plan may provide for restructuring of the CD, including by way of merger, amalgamation, and demerger. This would enable the market to come up with more innovative resolution plans for value maximisation.

Commencement of CIRP: In the early days of distress, the value of a CD is typically higher than its liquidation value and the stakeholders are more likely to resolve its insolvency rather than liquidate it. The Code, therefore, enables stakeholders to make an application to initiate corporate insolvency resolution process (CIRP) of the CD on default of a threshold amount. It requires the Adjudicating Authority (AA) to ascertain the existence of the default within 14 days of receipt of the application and initiate CIRP where it is satisfied that the default has occurred. It is, however, observed that some applications are taking longer than the statutory period of 14 days for disposal (R3), while the AA may dispose of an application after 14 days of its receipt, for reasons to be recorded in writing (R4). The Courts have held this timeline to be directory (R4 & R5). To avoid delays in admission of applications, especially in case of financial debt, where the default is generally undisputed, the Bill requires the AA to record its reasons in writing, where an application for admission is not disposed of within the stipulated time.

Closure of CIRP: The Code envisages closure of a CIRP in a time bound manner as undue delay is likely to reduce the value of the CD making its revival difficult. It mandates completion of a CIRP within 180 days, with a one-time extension of up to 90 days. While holding this timeline to be mandatory (R4 & R5), the Courts have allowed

the AA to exclude certain periods from the CIRP period if the facts and circumstances justify such exclusion, including time spent on litigation (R6 & 7). Consequently, many CIRPs are continuing even after expiry of 270 days frustrating time bound resolution. To address the issue, the Bill requires that 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. It further provides that an ongoing CIRP, which has not been closed yet within 330 days, shall be completed within next 90 days.

Voting Impasse: The Code provides for an authorised representative (AR) to represent a class of financial creditors (FCs) and to vote in respect of each FC in the committee of creditors (CoC). However, it was found difficult to secure the requisite votes where the CoC has class(es) of FCs, who are large in number, scattered all over the country and unorganised. To address the difficulty in CIRP of a real estate company where a class of creditors alone constituted the CoC, the threshold voting share of 66% was not considered mandatory and approval by simple majority was allowed (R8). Where CoC included a class of FCs, the voting share required for approval was considered mandatory and class wise voting was not allowed (R9). To facilitate decision making, the Bill provides that an AR 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 for withdrawal of applications.

Resolution Waterfall: The Code provides for a waterfall for distribution of proceeds from the sale of liquidation assets. It does not provide for a similar waterfall for distribution of realisation under a resolution plan amongst the creditors. It, however, requires that the resolution plan shall provide at least the liquidation value for operational creditors (OCs). The Code, read with Regulations, incorporates the principle of fair and equitable dealing of rights of OCs (R10). The liquidation value for OCs, however, has been insignificant in many CIRPs. The distribution of realisation under resolution plans has been a bone of contention in several CIRPs and caused prolonged litigation and undue delay in completion of the process, occasionally disturbing pre-insolvency entitlements of creditors. The Bill provides that 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. It also provides that the dissenting FCs shall be paid not less than the amount payable to them under liquidation waterfall. It clarifies that distributions made in this manner shall be fair and equitable. This provision shall apply to all ongoing CIRPs, including the ones where approved resolution plans are under litigation.

CoC's Domain: The Code segregates commercial aspects of insolvency resolution from judicial aspects. The commercial decisions of the CoC are not generally open to any judicial review by the AA (R11). What is commercial and what is not has, however, been debatable. It is not clear whether *inter se* distribution of realisation under resolution plans among creditors is a commercial matter. It was held in a matter that the CoC cannot distribute realisation amongst creditors, as the FCs constituting CoC, being claimants at par with other creditors, have a conflict of interests (R12). To set the matter at rest, the Bill makes it clear that the 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.

Binding effect: The Code provides that a resolution plan approved by the AA is binding on the CD, its members, creditors and other stakeholders. It is now settled that tax dues being operational debt (R13), Government is an OC. A resolution plan, which settles dues of the creditors, should be binding on Government. There have been instances where Government followed up for the balance dues after approval of resolution plan. This was creating uncertainty and discouraging potential resolution applicants. The Bill provides that resolution plan shall be binding on Central Government, any State Government and any local authority to whom the CD owes debt under any law.

Early Liquidation: The Code does not allow a stakeholder to initiate liquidation directly. It, however, empowers the CoC to decide to liquidate a CD at any time during the CIRP. However, there have been a few instances where the AA has insisted that a liquidation order may be passed only after failure of the CIRP to yield a resolution plan (R14). There are instances where early liquidation would maximise the value while running the entire CIRP would be an empty formality. The Bill clarifies that CoC may decide to liquidate a CD at any time during CIRP, even before preparation of the information memorandum.

A dynamic law is one which is crafted in the context of life. Given that life is ever evolving, the Code, even in a short span, has shown extraordinary dynamism in addressing many of the pressing concerns on resolving corporate insolvency for the benefit of people and the economy. The Bill, embedded on market realities, further strengthens the hands of stakeholders to take commercial decisions and enables time bound, innovative resolutions to ensure value maximisation.

References:

- R1. Order dated 2nd August, 2017 of the NCLT in the matter of Synergies Dooray Automative Limited.
- R2. Judgement dated 14th December, 2018 of the NCLAT in the matter of Edelweiss Asset Reconstruction Company Ltd. Vs. Synergies Dooray Automotive Ltd. & Ors.
- R3. Order dated 1st July, 2019 of the NCLAT in the matter of ICICI Bank Ltd. Vs. Jaiprakash Associates Ltd.
- R4. Judgement dated 1st May, 2017 of the NCLAT in the matter of JK Jute Mills Company Limited Vs. M/s. Surendra Trading Company.
- R5. Judgement dated 19th September, 2017 of the Supreme Court in the matter of M/s. Surendra Trading Company Vs. M/s. Jugglal Kamlat Jute Mills Company Limited & Ors.
- R6. Judgement dated 8th May, 2018 of the NCLAT in the matter of Quinn Logistics India Pvt. Ltd. Vs. Mack Soft Tech Pvt. Ltd. and Ors.
- R7. Judgement dated 4th October, 2018 of the Supreme Court of India in the matter of Arcelor Mittal India Private Limited Vs. Satish Kumar Gupta and Ors.
- R8. Order dated 28th September, 2018 of the NCLT in the matter of Nikhil Mehta & Sons & Ors. Vs. M/s. AMR Infrastructure Ltd.
- R9. Order dated 24th May, 2019 of the NCLT in the matter of IDBI Bank Limited Vs. Jaypee Infratech Ltd.
- R10. Judgement dated 25th January, 2019 of the Supreme Court of India in the matter of Swiss Ribbons Pvt. Ltd. & Anr. Vs. Union of India & Ors.
- R11. Judgement dated 5th February, 2019 of the Supreme Court of India in the matter of K. Sashidhar Vs. Indian Overseas Bank & Ors.
- R12. Judgement dated 4th July, 2019 of the NCLAT in the matter of Standard Chartered Bank Vs. Satish Kumar Gupta & Ors.
- R13. Judgement dated 20th March, 2019 of the NCLAT in the matter of Pr. Director General of Income Tax Vs. M/s. Synergies Dooray Automotive Ltd. & Ors.
- R14. Order dated 4th May, 2018 of the NCLT in the matter of Punjab National Bank Vs. Siddhi Vinayak Logistic Limited.

Dr. M. S. Sahoo

Insolvency and Bankruptcy Board of India Research Initiative, 2019

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 Insolvency and Bankruptcy Board of India Research Initiative, 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 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. IBBI shall endeavour to support the researcher with data, to the extent available with it, on request.

Researchers are invited to submit research proposals from 1st August, 2019 in accordance with the Initiative. Further details are available at www.ibbi.gov.in.

IBBI Updates

Governing Board

The Appointments Committee of the Cabinet, vide order dated 11th June, 2019, approved the appointment of Dr. Krishnamurthy Subramanian, Chief Economic Advisor, Government of India and Mr. B. Sriram, Former Managing Director & CEO, IDBI Bank Limited, as Part-time Members of IBBI.



Dr. Krishnamurthy Subramanian



Mr. B. Sriram

Human Resources

Dr. Anuradha Guru, an officer of the Indian Economic Service of 1999 batch, joined as Executive Director on 10th May, 2019. Prior to this, she was serving as Chief General Manager in the IBBI. She holds a Doctorate in Economics from Jawaharlal Nehru University and Masters in Economics from Delhi School of Economics. During her tenure in Service, she has served in various capacities in Ministry of Finance and Ministry of Commerce and Industry.

Employee Trainings and Workshops

Workshop on Ethics

A workshop on 'Ethics' was conducted on 4th April, 2019 for employees of IBBI. The workshop was led by Mr. Shreenivas Kunte (Director - Content), Mr. Amit Chakarabarty (Director - Institutional Relationships), Mr. Vidhu Shekhar (Country Head), Mr. Aviral Jain (Member) and Mr. Navin Vohra (Member) of the CFA Institute.



Workshop on Ethics, 4th April, 2019

Training on RTI

A training programme on the Right to Information Act, 2005, was conducted on 15th May, 2019 for employees of IBBI. Mr. K. Govindarajulu, Joint Director, Institute of Secretariat Training and Management, Department of Personnel and Training conducted the training.



Training on RTI Act 2005, 15th May, 2019

Training on Office Procedure

A training programme on 'Noting, Drafting, Office Procedures and File Management' was conducted on 25th May, 2019. Mr. K. S. Samarendra Nath, from the Central Secretariat Services conducted the training.



Training on Office Procedures, 25th May, 2019

Conference on Non-Performing Loans

Two officers of IBBI, namely, Mr. Rameshwar Dhariwal, CGM and Mr. Amit Sahu, DGM and two officers from the IPAs attended the 'Asia Regional Conference on Non-Performing Loans' on 24th and 25th April, 2019 in Kuala Lumpur, Malaysia, organised jointly by Bank Negara Malaysia and World Bank Group. The participants shared experiences on build-up of non-performing loans, challenges in resolution, difficulties faced in disposal of financed assets, role of valuation in financing and recovery process and social impact of these. South East Asian countries shared their respective experiences during the Asian financial crisis of 1997 and corrective measures undertaken at that time.



Asia Regional Conference on Non-Performing Loans in Kuala Lumpur, 24th - 25th April, 2019

Insolvency Policy Colloquium

A delegation participated in a five-day Insolvency Policy Colloquium on the Insolvency Regime of England & Wales at London from 18th to 22nd June, 2019, organised by World Bank Group. The aim of the Colloquium was to provide an in-depth overview of some of the most relevant issues for current insolvency policy developments in India, an understanding of the best practices in insolvency and exchange of views with leading judges, academics and other policy-makers about developments in the insolvency regime in England & Wales specifically, as well as in Europe. The delegation comprised of officers from Government, IBBI, the IPAs, academics and advocates.



Participants at the Insolvency Policy Colloquium in London, 18th - 22nd June, 2019

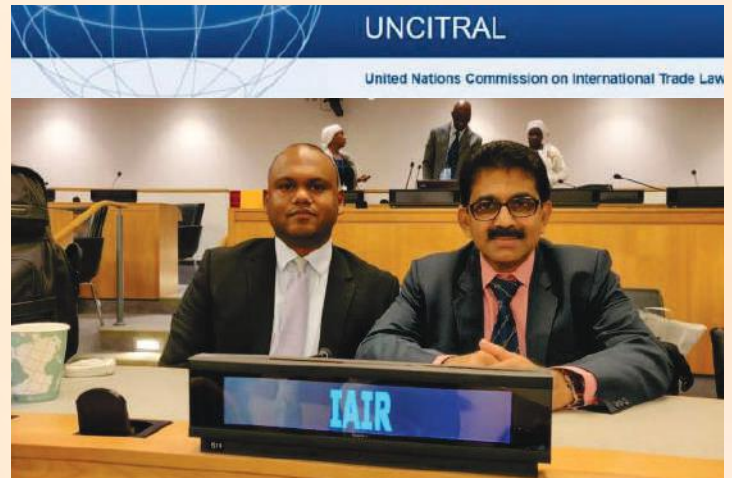
INSOL Conference

Dr. (Ms.) Mukulita Vijayawargiya, WTM, IBBI attended the 2nd INSOL International Legislative and Regulatory Colloquium and INSOL International Annual Regional Conference from 2nd to 4th April, 2019 in Singapore.

UNCITRAL Working Group V

The UNCITRAL Working Group on Insolvency Law (WG-V) is responsible for the development of Model Law on Cross-Border Insolvency as well as its legislative guidance and related judicial materials. The International Association of Insolvency Regulators (IAIR) sends two delegates as observers to the sessions of WG-V and

to take part in the deliberations. IAIR nominated Mr. K. R. Saji Kumar, Executive Director, IBBI and Mr. Jonathan Soo Hon, Senior Law Officer, Office of the Supervisor of Insolvency, Ministry of Finance, Trinidad and Tobago to attend, on its behalf, the spring session (55th session) of WG - V at the United Nations Headquarters in New York from 28th to 31st May, 2019.



Participation at the UNCITRAL WG - V in New York, 28th - 31st May, 2019

Distinguished Speakers

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

- Mr. Neil Taylor of Neil Taylor Insolvency and Senior Consultant at the World Bank on 'Drafting of Case Studies for Individual Insolvency' on 9th April, 2019.
- Mr. G. N. Bajpai, former Chairman, SEBI on 'Regulation and Enforcement - Intentions Vs. Outcome' on 12th April, 2019.
- Professor C. Scott Pryor, Norman Adrian Wiggins School of Law on 'Exercise of voting rights in case there are large number of creditors in an insolvency process and balancing the interest in case of Resolution' on 6th May, 2019.
- Mr. Balesh Kumar, Director General of GST Intelligence on 'GST Reforms: Why and Distance Travelled' on 14th June, 2019.
- Mr. Dinesh Kumar Sarraf, Chairperson, Petroleum and Natural Gas Regulatory Board (PNGRB) on 'Petroleum Reforms in India' on 25th June, 2019.



Talk by Mr. G.N. Bajpai, 12th April, 2019



Talk by Professor C. Scott Pryor, 6th May, 2019



Talk by Mr. Balesh Kumar, 14th June, 2019



Talk by Mr. Dinesh Kumar Sarraf, 25th June, 2019

Legal and regulatory framework

Central Government

Appointments in NCLT

The Appointment Committee of the Cabinet approved appointment of 14 Judicial Members and 18 Technical Members in the NCLT for a period of three years from the date of assumption of charge of the post or till attaining the age of 65 years, whichever is earlier, *vide* communication dated 3rd May, 2019. Government

issued, *vide* an order dated 19th June, 2019, the posting orders for 12 Judicial Members (out of 14 approved) and 18 Technical Members to different benches of the NCLT.

The list of Technical Members appointed in the NCLT includes two Insolvency Professionals (IPs) namely, Mr. Veera Brahma Rao Arekapudi and Mr. Prasanta Kumar Mohanty. IBBI congratulates them on their appointment and wishes them all the success in their new role.

IBBI Rules

Sub-rule (2) of rule 3 of the Insolvency and Bankruptcy Board of India (Salary, Allowances and other Terms and Conditions of Service of Chairperson and Members) Rules, 2016 provided that the Chairperson and WTM appointed to fill-up a casual vacancy shall hold office for the remainder period of the term of the Chairperson or, as the case may be, WTM in whose place he is appointed. By an amendment to the said Rules on 21st May, 2019, said sub-rule was omitted.

IBBI

Fee payable by IPs

The IBBI (Insolvency Professionals) Regulations, 2016 (IP Regulations) specify the requirement and manner of payment of fee by an IP and an IPE. IBBI enabled electronic submission of Forms and payment of fee by IPs and IPEs.

Surrender of Membership

The IP Regulations read with IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 (Model Bye-Laws Regulations) provide for temporary surrender and revival of professional membership by an IP. With a view to avoid inconvenience to the processes, IBBI, *vide* a circular dated 2nd May, 2019, advised that the IPA shall not ordinarily accept temporary surrender of professional membership, where the IP is conducting a process - corporate insolvency resolution, corporate liquidation, individual insolvency resolution and individual bankruptcy - under the Code. In order to streamline the process of surrender of membership, IBBI stipulated various Forms for the purpose.

Panel of IPs

The IBBI issued the Interim Resolution Professionals and Liquidators (Recommendation) Guidelines, 2019 (the 'Guidelines') on 14th May 2019, replacing the Interim Resolution Professionals and Liquidators (Recommendation) (Second) Guidelines, 2018. The Guidelines provide that the Board will prepare a common Panel of IPs for appointment as IRPs and Liquidators and share the same with the Adjudicating Authority (AA). The AA may pick up any name from the Panel for appointment of IRP or Liquidator, as the case may be, for a CIRP or Liquidation process, as the case may be. The Panel will have a bench-wise list of IPs based on the registered office of the IP. It will have a validity of six months and a new Panel will replace the earlier Panel every six months. The Guidelines also lay down the process that IBBI will follow for preparation of the Panel. In accordance with the said Guidelines, IBBI invited expression of interest on 7th June, 2019 from IPs for inclusion of their names in the Panel. After

following the due process, it prepared the Panel of IPs for July-December, 2019 and shared the same with the AA.

IBBI had issued the Guidelines for Appointment of IPs as Administrators under the SEBI (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018, on 26th March, 2019. Accordingly, IBBI prepared the Panel of IPs for April-September, 2019 and shared the same with SEBI.

Other Authorities

Reserve Bank of India

In the wake of the judgement dated 2nd April, 2019 of the Hon'ble Supreme Court of India which held circular dated 12th February, 2018 of Reserve Bank of India (RBI) on Resolution of Stressed Assets as *ultra vires*, RBI issued the RBI (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 on 7th June, 2019 with a view to provide a framework for early recognition, reporting and time bound resolution of stressed assets. The framework clarifies that RBI may, wherever necessary, issue directions to banks for initiation of insolvency proceedings against borrowers for specific defaults so that the momentum towards effective resolution remains uncompromised. The framework applies to: (a) Scheduled Commercial Banks (excluding Regional Rural Banks); (b) All India Term Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI); (c) Small Finance Banks; and (d) Systemically Important Non-Deposit taking Non-Banking Financial Companies (NBFC-ND-SI) and Deposit taking Non-Banking Financial Companies (NBFC-D).

The framework requires the lenders to put in place, Board approved policies for resolution of stressed assets including timelines for resolution. In case of default by any of the borrowers, the lenders are required to undertake a review of the borrower account and decide on the resolution strategy, including nature of resolution plan within the review period, which is thirty days from such default. The lenders may also choose to initiate legal proceedings for insolvency or recovery. In cases where the resolution plan is to be implemented, the framework requires the lenders to enter into inter-creditor agreement during the review period. In respect of large accounts, the resolution plan is to be implemented within 180 days from the end of the review period.

Where a viable resolution plan in respect of a borrower is not implemented within the specified timelines, the lenders are required to make additional provisions as a percentage of total outstanding. However, the framework introduces certain incentives once resolution is pursued under the Code. It provides that half of the additional provisions would be reversed on filing of insolvency application and the remaining upon admission into CIRP. It also incentivises the lenders to provide interim finance to CDs undergoing CIRP by allowing them to treat such finance as 'standard asset' during CIRP.

Securities and Exchange Board of India

SEBI issued a circular on 2nd April, 2019 regarding empanelment of IPs to be appointed as Administrators, their remuneration and other incidental and connected matters under the SEBI (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018. The circular specifies that an Administrator would be selected from a Panel of IPs prepared by IBBI under the Administrator Regulations. The Administrator shall appoint a chartered accountant from the list of empaneled chartered

accountants with SEBI. The registered valuers and registrars and share transfer agents shall be appointed through open tender. The circular specifies the fee payable to the Administrator and other professionals.

Orders

Supreme Court

JK Jute Mill Mazdoor Morcha Vs. Juggilal Kamlapat Jute Mills Company Ltd. through its Directors & Ors. [Civil Appeal No. 20978/2017]

In this matter, the AA did not admit application for CIRP filed by a trade union, which is not an OC under the Code. The NCLAT dismissed the appeal against the order of the AA stating that each worker may file individual application before the AA. While disposing of the appeal against the order of the NCLAT, the Supreme Court (SC) observed that a trade union is an entity established under a statute and, therefore, is a person under section 3(23) of the Code. A claim in respect of an employment, which is operational debt, can be made by a person duly authorised to make such claim on behalf of a workman. The SC held: "...the trade union represents its members who are workers, to whom dues may be owed by the employer, which are certainly debts owed for services rendered by each individual workman, who are collectively represented by the trade union. Equally, to state that for each workman there will be a separate cause of action, a separate claim, and a separate date of default would ignore the fact that a joint petition could be filed under Rule 6 read with Form 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, with authority from several workmen to one of them to file such petition on behalf of all."

Dharani Sugars and Chemicals Vs. Union of India & Ors. [Transferred Case (Civil) No. 66/2018 in TP (Civil) No. 1399/2018]

Constitutional validity of sections 35AA and 35AB introduced by the Banking Regulation (Amendment) Act, 2017 and the RBI circular dated on 12th February, 2018 providing a revised framework for resolution of stressed assets were challenged. While upholding constitutional validity of the said sections, the SC observed that section 35AA enables the Central Government to authorise the RBI to issue directions to initiate CIRP in respect of 'a default'. Therefore, what is important is that it is a particular default of a particular debtor that is the subject matter of section 35AA. The exercise of this power requires due deliberation and care and hence refer to specific defaults. Any direction, as provided in the circular, which are in respect of debtors in general is *ultra vires* section 35AA. Consequently, the circular and all actions taken under the said circular, including actions by which the Code has been triggered, fall along with the said circular. As a result, all cases where debtors have been proceeded against by FCs under section 7 of the Code, only because of the operation of the impugned circular, are non-est.

High Courts

The Deputy Director Directorate of Enforcement Delhi Vs. Axis Bank & Ors. [Crl. A. 143/2018]

The High Court (HC) considered the issue relating to confiscation of property acquired by a person through proceeds of crime under the Prevention of Money Laundering Act, 2002 (PMLA) against the lawful claim of the third party. It held:

- (a) The objective of PMLA being distinct from the purposes of the RDBA, SARFAESI, and the Code, the latter three legislations do not prevail over the former.
- (b) The PMLA, RDBA, SARFAESI and the Code (or such other laws) must co-exist, each to be construed and enforced in harmony, without one being in derogation of the other with regard to the assets in respect of which there is material available to show the same to have been "derived or obtained" as a result of "criminal activity relating to a scheduled offence" and consequently being "proceeds of crime", within the mischief of PMLA.
- (c) An order of attachment under PMLA is not illegal only because a secured creditor has a prior secured interest (charge) in the property, within the meaning of RDBA and SARFAESI. Similarly, mere issuance of an order of attachment under PMLA does not *ipso facto* render illegal a prior charge or encumbrance of a secured creditor, the claim of the latter for release (or restoration) from PMLA attachment being dependent on its bona fides.
- (d) A party, in order to be considered as a "bonafide third party claimant" for its claim in a property being subjected to attachment under PMLA to be entertained, must show, by cogent evidence, that it had acquired interest in such property lawfully and for adequate consideration, the party itself not being privy to, or complicit in, the offence of money-laundering, and that it has made all compliances with the existing law including, if so required, by having the said security interest registered.
- (e) If the order confirming the attachment has attained finality, or if the order of confiscation has been passed, or if the trial of a case under section 4 of PMLA has commenced, the claim of a party asserting to have acted bonafide or having legitimate interest will be inquired into and adjudicated upon only by the special court.

Amira Pure Foods Pvt. Ltd. Vs. Canara Bank & Ors. [WP(C) No. 5467/2019]

The DRAT had, vide its order dated 15th November, 2018, appointed two Joint Court Commissioners to take over the properties of the CD. Soon after CIRP of the CD commenced, the IRP approached DRAT for taking over the properties of the CD. The DRAT took the view that in view of the moratorium under section 14 of the Code, the continuation of proceeding against the CD is prohibited and therefore, the relief sought by IRP cannot be granted. The IRP submitted before the HC that moratorium prohibits proceedings against the CD and not the proceedings which are not against the CD. The HC observed: "...the DRAT was not powerless to modify its own order whereby the two court commissioners had been appointed to take over control of the assets of the petitioner/corporate debtor. In the facts of the case, the learned DRAT should have recalled its order so that the IRP/RP could take over the assets of the corporate debtor in the exercise of its mandate under the Insolvency & Bankruptcy Code, 2016." The HC set aside the order of the DRAT, recalled appointment of two Court Commissioners and permitted the IRP/RP to act under the Code.

National Company Law Appellate Tribunal

Bhavna Sanjay Ruia Vs. Insolvency and Bankruptcy Board of India [CA(AT)(Ins) No. 341/2019]

An appeal was preferred by an IP against an order passed by the Disciplinary Committee of IBBI. While dismissing the appeal, the NCLAT observed that it can entertain an appeal only against an order passed by the AA. No appeal is maintainable against order passed by IBBI, including its Disciplinary Committee. It clarified that the appellant may move before appropriate forum for appropriate relief.

Edelweiss Asset Reconstruction Company Limited Vs. Orissa Manganese and Minerals Limited & Ors. [CA(AT)(Ins) No. 437, 438, 444 & 500/2018]

In this matter, the CD had given guarantee to the appellant. The principal borrower had neither defaulted on payment to the appellant nor the appellant had invoked guarantee. The NCLAT considered the issue whether in such circumstances the appellant can submit a claim in the CIRP of the CD. It held that the claim of the appellant cannot be considered as the debt payable by the CD as on the date of the commencement of CIRP.

Rasiklal S. Mardia Vs. Amar Dye Chem Limited [CA(AT)(Ins)No. 337/2018]

By the impugned order, the AA held that liquidator alone was authorised to file a petition for compromise or arrangement in respect of the company. While setting aside the impugned order, the NCLAT observed that the judgement in the matter of National Steel & General Mills Vs. Official Liquidator makes it quite clear that Liquidator is only an additional person and not exclusive person who can move application under Section 391 of the old Act when the company is in liquidation.

Ms. Anju Agarwal, RP (Shree Bhawani paper Mills Ltd.) Vs. Bombay Stock Exchange & Ors. [CA(AT)(Ins) No. 734/2018]

The AA, vide its order dated 10th September, 2018, held that regulatory authorities are not covered under moratorium under section 14 of the Code. Therefore, SEBI and BSE are not prohibited from taking actions under the SEBI Act and regulations made thereunder against the CD. The NCLAT observed that section 28A of the SEBI Act, 1992 is inconsistent with section 14 of the Code. It held: "Section 28A of the 'SEBI Act, 1992' being inconsistent with Section 14 of the 'I&B Code', we hold that Section 14 of the 'I&B Code' will prevail over Section 28A of the 'SEBI Act, 1992' and 'Securities Exchange Board of India' cannot recover any amount including the penalty from the 'Corporate Debtor'. The 'Bombay Stock Exchange for the same very reason cannot take any coercive steps against the 'Corporate Debtor' nor can threaten the 'Corporate Debtor' for suspension of trading of shares." It reiterated its decision in *Maharashtra Seamless Ltd. Vs. Shri Padmanabhan Venkatesh & Ors.*, that the statutory dues come within the meaning of operational debt and may be claimed but cannot be recovered during the resolution process.

Cooperative Rabobank U.A. Singapore Branch Vs. Mr. Shailendra Ajmera [CA(AT) (Ins) No. 261/2018]

Being a holder of Bills of Exchange, the appellant claimed to be an FC, which was rejected by the RP as well as the AA. It submitted before the NCLAT that bill discounting is one of the modes of raising finance, a bill of exchange is an independent contract under the Negotiable Instruments Act, 1881, and time value of money is inherent in a bill. While dismissing appeal, the NCLAT noted that under section 5(20) of the Code, an OC is not only a person to

whom an operational debt is owed but also a person to whom such operational debt is assigned. It held: “... it is clear that an 'Operational Creditor', who has assigned or legally transferred any 'Operational Debt' to a 'Financial Creditor', the assignee or transferee shall be considered as an 'Operational Creditor' to the extent of such assignment or legal transfer.”

Mr. Bohar Singh Dhillon Vs. Mr. Rohit Sehgal (IRP) & Ors. [CA(AT)(Ins) No. 665/2018]

In this matter, the CD had collected money under unauthorised collective investment scheme. SEBI took action against the CD and attached its immovable properties. The issue for consideration was whether, in such circumstances, an application under section 7 of the Code is maintainable. The NCLAT held that application under section 7 is maintainable and till the period of moratorium, SEBI can neither recover any amount nor sell the assets of the CD. It, however, observed: “the 'Resolution Professional' is required to act in terms of Section 17(2) (e) of the 'I&B Code' for complying with the requirements under the 'Securities and Exchange Board of India Act' and Regulations framed thereunder as well as the guidelines issued by the Regulatory Authority. It is also made clear that the 'Securities and Exchange Board of India' is however entitled to take action against individuals including the former Directors and Shareholders of the 'Corporate Debtor'.”

Superna Dhawan & Anr. Vs. Bharati Defence and Infrastructure Ltd. & Ors. [CA(AT)(Ins) No. 195/2019]

An appeal was filed against the liquidation order of CD passed by AA. While dismissing the appeal against the impugned order, the NCLAT observed: “The Adjudicating Authority rightly observed that the 'Resolution Plan' should be planned for 'Insolvency Resolution' of the 'Corporate Debtor' as a going concern and not for addition of value with intent to sell the 'Corporate Debtor'. The purpose to take up the company with intent to sell the 'Corporate Debtor' is against the basic object of the 'I&B Code'.”

Prasad Gempex Vs. Star Agro Marine Exports Pvt. Ltd. & Anr. [CA(AT)(Ins) 469/2019]

While approving the resolution plan, the AA directed that all proceedings in the matter, whether civil or criminal, present or future, shall stand withdrawn and dismissed. While setting aside this direction of AA, the NCLAT held: “the Adjudicating Authority has no jurisdiction to pass any order with regard to any matter pending before the Court of criminal jurisdiction.”

Ingen Capital Group LLC. Vs. Ramkumar S. V. & Anr. [CA (AT) (Ins) No. 795 of 2018]

The NCLAT noted that the Appellant was not in a mood to implement the resolution plan which was approved by the CoC and the AA. It directed the Central Government to take appropriate steps against appellant and its Managing Director and other Directors who tried to take advantage of the resolution process but later on failed to implement its proposal without any basis. It dismissed the appeal with a cost of Rs.10 lakh to be paid by the Appellant in favour of the CoC within thirty days.

RMS Employees Welfare Trust Vs. Anil Goel [CA(AT)(Ins) No. 699/2018]

While approving the resolution plan, the AA noted that the resolution plan did not envisage any payment towards Government

dues. It, however, observed that waiver of Government dues may be considered by the respective Government department. The NCLAT held: “The debt of the Central Government or the State Government arising out of the existing law being 'Operational Debt', the question of asking for waiver does not arise as per the 'Resolution Applicant' to decide how much to be paid to the Central Government or the State Government against the 'Operational Debt' (Income Tax or G.S.T or any other statutory debt), which should not be less than the amount to be paid to the 'Operational Creditors' in the event of a liquidation of the 'Corporate Debtor' under Section 53.”

Industrial Services Vs. Burn Standard Company Ltd. & Anr. [CA(AT)(Ins) No. 141, 142, 179 & 208/2018]

The Appellants challenged the order passed by the AA approving a resolution plan submitted by the corporate applicant. The said plan did not provide for revival of the CD but its closure and retrenchment of all the workmen. The NCLAT held: “...the 'Resolution Plan' is against the object of the Code and the application under Section 10 was filed with intent of closure of the 'Corporate Debtor' for a purpose other than for the resolution of insolvency, or liquidation, we hold that the part of the 'Resolution Plan' which relates to closure of the 'Corporate Debtor'/'Corporate Applicant' being against the scope and intent of the 'I&B Code' is in violation of Section 30(2)(e) of the 'I&B Code'.” It directed the CD to ensure that the company remains a going concern and employees are not retrenched.

IDBI Bank Limited Vs. Mr. Anuj Jain, IRP, Jaypee Infratech Ltd. and Anr. [IA No. 1857 of 2019 in CA(AT)(Ins) No. 536/2019]

The NCLAT reiterated: “We make it clear that if any of the 'Financial Creditor' remains absent from voting, their voting percentage should not be counted for the purpose of counting the voting shares, as held by this Appellate Tribunal in 'Tata Steel Ltd. vs. Liberty House Group Pte. Limited & Ors.’”

Jagmeet Singh Sabharwal & Ors. Vs. Rubber Product Ltd. & Ors. [CA(AT)(Ins) No. 405/2019]

The NCLAT held that the resolution applicant is required to provide the same treatment to all the OCs, who are equally situated. It observed:

“7. From the definition of the 'Operational Debt' it is clear that there are 3 types of 'Operational Creditors', namely: -

- (i) Those who supplied goods and/or rendering services to the 'Corporate Debtor';
- (ii) Employees of the 'Corporate Debtor'; and
- (iii) The debt payable under the existing law to the Central Government or State Government or local authority.

The 'Operational Creditors' who were supplying goods or rendered services including employees are investing money for keeping the company operational. Employees are also working to keep the company operational, therefore, they are class in themselves.

8. On the other hand, the Central Government or State Government, they do not invest any money nor render any services but derive advantage of operation by claiming of the debt on the basis of the existing law (statutory debt). Therefore, classification is made between - (i) those 'Operational Creditors' who were employees; (ii) those who were suppliers of goods or rendering services by investing money and (iii)

the Central Government or State Government or local authority, who only claim the statutory debt. Resolution plan cannot be arbitrary or discriminatory amongst class of such 'Operational Creditors'. Only the same treatment is to be made.”.

Commissioner of Customs, (Preventive) West Bengal Vs. Ram Swarup Industries Ltd. & Ors. [CA(AT)(Ins) No. 563/2018]

The Commissioner of Customs filed appeal against order of AA which allowed removal of certain machineries of the CD which were in the custody of the customs authorities. The NCLAT observed: “As we have seen that the ownership rights of the machineries, in question, is of the 'Corporate Debtor' and not of a third party, explanation below Section 18 (1) (f) & (g) is not applicable. Therefore, the 'Resolution Professional' has right to take control and custody of any asset, though the Customs Authority is in possession of the same for the present”. It held: “.. during the period of 'Moratorium', the assets of the 'Corporate Debtor' cannot be alienated, transferred or sold to a third party.”

A. J. Agrochem Vs. Duncans Industries Ltd. [CA(AT)(Ins) No. 710/2018]

The AA, vide its order dated 5th October, 2018, rejected an application under section 9 on the ground that the provisions of the Code are not applicable unless the OC seeks consent of the Central Government, in view of section 16G(1)(c) of the Tea Act, 1953, which provides that no proceeding for winding up can be initiated except with the consent of the Central Government. The NCLAT noted that section 16G(1)(c) of the Tea Act, 1953 relates to winding up, while section 9 of the Code is for revival and continuation of the CD. Therefore, these provisions occupy different fields. The NCLAT noted that no permission of the Central Government is required for initiation of CIRP of the CD and allowed the appeal.

Committee of Creditors of Bhushan Power and Steel Limited Vs. Mahendra Kumar Khandelwal [CA(AT)(Ins) No. 562/2019]

The appellant submitted that the HC has issued certain orders directing the AA to follow certain procedure, by giving reference to the decision of the SC and holding that any order passed by the AA, which are in contravention, contradiction or derogation of the directions of the SC should not be taken into consideration. The NCLAT observed: “The Hon'ble High Court has jurisdiction under Article 226 of the Constitution of India and has also supervisory jurisdiction under Article 227 of the Constitution of India. We are not expressing any opinion as to whether they have the supervisory jurisdiction over all the Tribunals or not, but 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 advised the AA to decide the case on merits in accordance with law and uninfluenced by any order except the decision of the NCLAT and the SC.

Bhasin Infotech and Infrastructure Pvt. Ltd. Vs. Gurpreet Singh [CA(AT)(Ins) No. 491/2018]

The appeal was preferred by the CD against order dated 10th August, 2018 passed by the AA directing the appellant to pay a lump sum fee of Rs.5 lakh to the IRP within a week. The CD challenged the impugned order on the ground that the said fee fixed by the AA for

performing duty for 27 days was excessive and arbitrary. The NCLAT noted that the appellant (FC) had not fixed the expenses to be incurred by the IRP. In such cases, as per sub-regulation (2) of regulation 33, the AA was required to fix the expenses, which includes the fee to be paid to the IRP and other expenses. It also noted that given that the IRP has performed duty only for 27 days, Rs.5 lakh allowed by the AA is excessive. It observed that an insolvency professional entity is not eligible or entitled to receive any fees or any cut or commission from the fees of the IRP. It allowed a fee of Rs.1.5 lakh to the IRP for his service for 27 days.

Dhinal Shah Vs. Bharati Defence Infrastructure Ltd. & Anr. [CA(AT)(Ins) No. 175/2019]

In its order dated 14th January, 2019, the AA had made certain adverse observations against the RP. NCLAT observed: “we find that the adverse observations were made against the Ex-Resolution Professional-'Dhinal Shah' without issuing individual notice to him. In essence, no notice was issued to him to reply as to why adverse observations be not passed against him for any act of omission or commission. We are of the view that without such notice and without impleading Resolution Professional by name, the Adjudicating Authority was not competent to make any observation against the Resolution Professional. If there was any lapse on the part of Resolution Professional which has come to the notice of the Adjudicating Authority, he should have referred the matter to the Insolvency and Bankruptcy Board of India' (IBBI) for taking appropriate action in accordance with law, which is the competent authority to take any action, after seeking explanation from the Resolution Professional.” Accordingly, it set aside the part of the impugned order as regards adverse observations against the RP.

M/s. Commune Properties India Pvt. Ltd. & Ors. Vs. Smt. Ramanathan Bhuvaneshwari & Ors. [CA(AT)(Ins)No. 592/2019]

The NCLAT allowed the appellant to implead the MCA and the IBBI to decide the following issues:

(a) Who is the person, whether the Adjudicating Authority or the Resolution Professional, is required to refer the matter to the Central Government or the IBBI to take action for alleged offence punishable under Chapter VII of Part II of the Code?

(b) Whether the accused alleged to have committed punishable offence under Chapter VII of Part II of the Code is required to be heard for making out a prima facie case by following similar procedure as prescribed under section 213 of the Companies Act, 2013 and the procedure under section 424 of the Companies Act, 2013 before referring the matter to the Central Government or the IBBI?

Sunil Jain Vs. Punjab National Bank & Ors. [CA (AT) (Ins) No. 156/2018]

The NCLAT held:

(a) Where the AA has approved a resolution plan that provides for taking over the shares of the promoters, it is not required to comply with the provisions of sections 56 and 57 of the Companies Act, 2013, which, being a formality, can be completed even after the approval of the resolution plan, at the stage of its implementation.

(b) If goods have been supplied during the CIRP period to keep the CD as a going concern, it is the duty of the RP to include costs on

such goods in the Insolvency Resolution Process Cost. If it is not included, the resolution plan in question can be held to be in violation of section 30(2) (a) of the Code.

Varrsana Ispat Limited Vs. Deputy Director, Directorate of Enforcement [CA (AT) (Ins) No. 493/2018]

The NCLAT held:

(a) Section 14 of the Code is not applicable to the criminal proceeding or any penal action taken pursuant to the criminal proceeding or any act having essence of crime or crime proceeds.

(b) The offence of money-laundering is punishable with rigorous imprisonment. It has nothing to do with the CD. It is applicable to the individual, who may include the ex-directors and shareholders of the CD and such individual cannot take any advantage of section 14 of the Code.

(c) As the Prevention of Money Laundering Act, 2002 relates to different fields of penal action of 'proceeds of crime', it invokes simultaneously with the Code, having no overriding effect of one Act over the other.

Damont Developers Pvt. Ltd. Vs. Bank of Baroda & Anr. [CA (AT) (Ins) No. 436-437/2019]

The AA by impugned order dated 4th February, 2019 rejected the impleadment application filed by the Appellant. While dismissing appeal, the NCLAT held: *“Except the Corporate Debtor, no other party has right to intervene at the stage of admission of a petition under Section 7 or 9. However, an aggrieved party may prefer an appeal if the order of admission affects the person.”*

National Company Law Tribunal

Bharti Airtel Limited & Anr. Vs. Vijaykumar V. Iyer [MA 230/2019 in CP No. 302/IBC/NCLT/MB/MAH/2018]

Bharti Airtel Ltd. and Bharti Hexacom Ltd. (Airtel entities) had entered into spectrum trading agreements with Airtel entities for transfer of right to use spectrum in favour of the former for a consideration of Rs.4023 crore. To facilitate approval of DoT for the spectrum trading agreement, the parties entered into an understanding to the effect that Airtel entities will submit a bank guarantee of Rs.454 crore to DoT on behalf of Airtel entities, by retaining the said amount from the consideration of Rs.4023 crore. Under other arrangements / transactions, Airtel entities owed Rs.112 crore to Airtel entities.

The CIRP of Airtel Limited and Dishnet Wireless Ltd. (Airtel entities) commenced vide orders dated 12th March, 2018 and 19th March, 2018 respectively. The spectrum trading agreement went into problems, leading to an order of the TDSAT canceling the bank guarantee, which was confirmed by the Supreme court. Thus, the amount which was retained by Airtel towards bank guarantee became payable to Airtel. Airtel entities released Rs.342 crore after retaining Rs.112 crore, out of the bank guarantee amount of Rs.454 crore. The issue for consideration under section 60(5) of the Code was whether Airtel entities, who are ocp of Airtel entities, can set off the amount due to them, after moratorium, and pay the balance to the CD, as it may amount to the OC recovering its dues by jumping the queue of other creditors. The AA observed that the doctrine of set off or the accounting principle of netting off is an accepted principle to be adopted by the concerned parties. It noted that the amount of claim in Form B in CIRP Regulations is not the gross amount to be furnished by OC but only the amount after set

off against respective claims. Therefore, Airtel's claim is in order. It is entitled to set off the amount due while making a payment of the amount retained out of total consideration as per agreement.

Asset Reconstruction Company (India) Ltd. Vs. Shivam Water Treaters Pvt. Ltd. [CP(IB) 1882/MB/2018]

While considering the status report of RP, the AA noted that Mr. Gaurav Dave, Mrs. Ami Dave, Ex-directors and Mr. Vishal Dave, Business Head and Statutory Auditor of the CD had not provided any information pertaining to the assets, finance and operations of the CD and not extended their cooperation to the RP for taking control and custody of the CD, despite its directions under section 19 of the Code. Therefore, the AA imposed a penalty of Rs.10 lakh, under section 70 of the Code, on each of them, with direction to pay the same before the next date of hearing. It also directed that the Bank Accounts in the name of these persons, whether in the name of the individual or in the name of joint account in any Bank in India be frozen, with immediate effect.

Videocon Industries Ltd. Vs. State Bank of India & Ors. [MA 1300/2018 in CP(IB)-02/(MB)/2018]

The RP filed an application against a notice issued by the UoI demanding 100% of sale proceeds invoices in favour of the Government for recovery of US\$314 million together with interest towards unpaid Government share of 'Profit Petroleum'. The UoI contended that 'Profit Petroleum' is an asset of the Government, and out of the ambit of section 14 of the Code, and, therefore, the moratorium is not applicable in recovering its own asset. While holding that moratorium is applicable, the AA observed: *“At the most, the Ministry of Petroleum can lodge its claim of any legally enforceable right of recovery to the appointed Resolution Professional, being not rendered remediless, as prescribed under The Code.”*

Yog Industries Limited [MA 1098/2018 in CP No.82/IBC/NCLT/MB/MAH/2017]

The liquidator rejected the claim of an OC which was not filed before the due date. The OC filed an application before AA for condoning the delay in submission of claim and seeking directions against the liquidator for admitting and verifying the applicant's claim. Referring to section 42 of the Code which enables a creditor to approach the AA and rules 177 and 178 of the Companies (Court) Rules, 1959, which allows a creditor to apply to the Court for relief, AA observed that the liquidation proceedings are yet to be finalised in the matter, no prejudice would be caused if the claim of the applicant is adjudicated and admitted. It condoned the delay in submission of the claim by the applicant and directed the liquidator to consider the claim.

SBI Global Factors Ltd. Vs. Sanaa Syntex Private Limited [MA 1123/2018 in CP No. 172/IBC/NCLT/MB/MAH/2017]

The AA dealt a few issues as under:

(a) Whether a secured FC is legally entitled to stay out of liquidation? The AA held: *“...it is an undisputed assertion that the secured creditor's rights have to be protected and respected. They must have the choice of taking their collateral and selling it on their own. Hence, the first question with respect to the secured creditor opting out of the liquidation estate, stands answered in affirmative.”*

(b) Whether section 29A is applicable to liquidation proceedings in a situation when the secured creditor realises the security interest on its own? The AA held: *“The defaulters disqualified U/s 29A should not*

get any benefit under this code. This is a clear message conveyed through S. 29A. A defaulter must not be benefitted by entering into those very assets through side doors, otherwise not permitted to enter from the front doors, for e.g. by submission of resolution plan. Therefore, it is logical as well as legally justifiable to extend the scope of S. 29A while dealing with the liquidation of the assets of a debtor company." It observed: "This verdict of the Hon'ble Supreme Court has strictly dealt with the defaulters and therefore held that the provisions of S.29A continues to apply not merely to Resolution Applicants but to Liquidation also. S.52, therefore, is not out of Chapter III i.e. Liquidation Process, but within this chapter, hence ought to apply to the secured Financial Creditors if they exercise their option to liquidate an asset independently."

(c) Whether the secured creditor exercising his right under section 52(1)(b) of the Code has to make payment of workmen's dues out of the amount realised from the sale of such secured assets as the EPF/workmen's dues, which do not form part of the liquidation estate? The AA further observed: "the EPF dues are not being treated as the assets to be covered in the liquidation estate, however, the same are the liability of the Corporate Debtor which has to be paid by the liquidator as per S. 53 of the Code, and not by the secured creditor out of the proceeds from the sale of secured assets if exercised their option U/s 52(1)(b) of the Code. Hence, this prayer of the applicant is rejected on above findings. Question (iii) is answered in negative."

M/s Rana Saria Poly Pack Pvt. Ltd. Vs. Uniword sugars Pvt. Ltd. [CA No. 146/2019 in CP No. (IB) 120/ALD/2017]

The RP filed an application seeking permission for the CoC to conduct further meeting to discuss and decide the urgent agenda, although the period of CIRP 270 days is already over and the application filed for liquidation order was still under consideration of the AA. The AA held the prima facie view that RP has not been discharged and hence, CoC cannot be treated to be a functus officio until a formal order of liquidation passed. Therefore, the RP and CoC may continue with the CIRP to safeguard the interest of the CD.

S. Muthuraju Vs. Commissioner of Police and Another [MA/504/2019 in CP/288/IB/2018]

A group of persons / mob threatened the liquidator with weapons and prevented him to enter the premises of CD, while he was performing his duties in pursuance of section 35 of the Code. The AA directed the Superintendent of Police to give adequate police protection to the liquidator to enable him to perform his duties.

Southern Investments Pvt. Ltd. [MA/330/2019 in CP/202/2018]

The applicant filed an application under section 60(5)(c) of the Code seeking certain directions to IRP. However, the CIRP had closed by then. The AA held: "... for invoking provisions of Section 60(5) of the Code, the 'insolvency resolution' or 'liquidation proceedings' must be continuing against the CD". It observed that in the instant matter since neither CIRP nor liquidation proceedings were subsisting against the respondent which stood closed and the role of RP was over, the application under section 60(5)(c) was not maintainable.

M/s. SBL Construction Private Limited Vs. M/s. IVRCL Limited [IA No. 403/2018 in CP (IB) No. 294/07/HDB/2017]

The issue before the AA was whether the claim of a party which is based on an arbitral award, against which an appeal was pending, is admissible or not. The AA noted that in view of moratorium in respect of the CD, the said appeal is stalled. It observed that the claim is based on a valid and legally issued award under the

Arbitration and Conciliation Act, 1996 and hence RP is not right in rejecting legally tenable claim of the applicant. Accordingly, it directed the RP to admit the claim, subject to the condition that the claimant submits an irrevocable undertaking to the effect that he will place back the amount in case the appeal relating to arbitration proceeding is decided against his favour.

SREI Infrastructure Finance Ltd. Vs. Sterling SEZ & Infrastructure Ltd. [MA 1181/2019, MA 1245/2019 and MA 250/2019 in C.P. (IB)-405 (MB)/2018]

RP filed an application under section 12A of the Code read with regulation 30A of CIRP Regulations for withdrawal, along with the approval of the CoC. While allowing the application, the AA noted that the members of the suspended Board of Directors are not contactable. In exercise of its powers under the Companies Act, 2013 AA appointed the RP as an Interim Administrator of the CD to run its business, if any, and protect the assets of the CD until the restored Board of Directors are traceable and they take charge of the company. It prohibited the Interim Administrator from selling any of the assets of the CD or creating any liability. It authorised the FCs with whom the assets of the CD are charged to supervise the functioning of the Interim Administrator and, if necessary, nominate their own directors to constitute Interim Board of Directors, till the original Board of Directors take charge of the company from the Interim Administrator.

M/s Maharaja Theme Parks and Resorts Private Limited [CP/1314/IB/2018]

The CD had given guarantee to an FC for the loans granted to three principal borrowers who are partnership firms / proprietary concerns. The principal borrowers defaulted in repayment and the FC invoked the guarantee. CD failed to honour the guarantee. The FC filed an application for initiation of CIRP of the CD. CD opposed the application on the ground that it had not given guarantee for loans to companies. The issue for consideration before the AA was whether or not a creditor can initiate CIRP against the corporate guarantor when the guarantee is given for the loans granted to non-companies. The AA observed that the definition in section 5(5A) of the Code does not exclude the corporate guarantee given by a company to an individual. It held: "... it makes no difference as to whether the Corporate Person stood as guarantor to an individual or a Corporate Person, and as so long as the obligation in respect of a claim is due from a Corporate Person falling within the definition of Financial Debt, then it is obvious that the Creditor can proceed under section 7 of the code against such Corporate Person, ...".

Parabolic Drugs Ltd. [CA 206/2019 in CP(IB)-102/CHD/2018]

The applicant sought permission to lift the raw materials belonging to him, but in the possession of the CD, which is under control of the RP. It was argued that an asset owned by a third party but in possession of the CD which is held under a trust or under a contractual arrangement is out of the clutches of the provisions of 18(1)(f) as well as section 14 of the Code. The AA held that the applicant is entitled to take back the property from the possession of the RP.

V Hotels Limited [MA 693/2018 in CP No. 532/IBC/ NCLT/ MB/MAH/2018]

The HC had restrained from initiating any coercive steps against the CD. The issue before the AA was whether initiation of CIRP by filing

an application before the AA amounts to a coercive step against the CD. The AA held that the Code is not a coercive measure for the CD but for the defaulting management. It observed: "...What is sought to be achieved in the code is not shutting down of the Corporate Debtor, but reviving it by ousting the defaulter promoter/directors who were in control and management of the company, which took it down on its knees."

Reliance Commercial Finance Limited Vs. Noble Resourcing Business and Solution Pvt. Ltd. [114(IB)-494(PB)/2017]

In a meeting of the CoC, a decision was taken that the expenses on CIRP shall be shared by the FCs proportionately. However, one of the FCs did not agree to that. After hearing the parties, the AA observed: "... we are of the view that for effective continuation of the Corporate Insolvency Resolution Process, the financial creditor constituting the CoC has to contribute to the expenses, fee and other cost of the process. Otherwise, the whole process would come to a halt and cause unnecessary delay. If the financial creditor like Intec Capital Limited-non applicant is not inclined to contribute to the cost of the process, then we are doubtful as to how their claim could be considered in the whole process. Accordingly, we direct the non-applicant - respondent to contribute proportionately to the extent of 42.78% to the running CIRP cost as approved by CoC. If the non-applicant-respondent fails to contribute, then their claim in the CIR Process would not be considered."

IFCI Limited V. Era Housing & Developers (India) Ltd. [CA-69(PB)/2019 in (IB)-489(PB)/2017]

The RP filed an application for direction to an FC to defray its portion of the approved CIRP expenses. The AA observed that refusal to share CIRP expenses is unsustainable. It held: "...the decision of the CoC taken by requisite majority cannot be questioned by non-applicant respondent and no one is permitted to strangle the CIRP Process by refusing to contribute their share of expenses by putting forward one excuse or the other."

M/s. Ranajit Das & Ors. [(IB)-334(ND)2018]

The AA noted that despite issuance of the notice to Regional Manager of UPSIDC, none appeared and hence there has been a willful defiance of its directions. In order to secure his presence, it directed: "Bailable warrants in the sum of Rs. 20,000/- be issued..."

Everwin Textile Mills Pvt. Ltd. [MA/347/2019 in CP/422/IB/2018]

The RP submitted that the applicants are barred under section 29A of the Code as CD is not an MSME. The AA observed: "In view of the Certificate of Micro, Small & Medium Enterprises that has been issued by the Ministry of Micro, Small & Medium Enterprises to the Corporate Debtor, there can be no valid objection to state that the CD is not MSME." Therefore, clauses (c) and (h) of section 29A are not applicable to the CD.

M/s Tiffins Barytes Asbestos & Paints Limited [MA/632/2018 in CP/39/2018]

The issue for consideration was whether order passed for termination of mining lease violates the moratorium? The AA observed: "...The termination of the lease by the Respondents during the moratorium has taken away the interest created in favour of the Corporate Debtor/ Applicant in relation to the mining operations which certainly has resulted in taking away the property i.e., Iron ore to be extracted / already extracted in the mining area by the Corporate Debtor/ Applicant. Consequently, the Corporate Debtor / Applicant cannot carry on mining business as a going concern which frustrates the

object of the CIR Process and there may not be any occasion for the CoC to consider any Resolution Plan, as no Resolution Applicant would come forward for revival of the business of the Corporate Debtor / Applicant due to the termination of lease." It held that the action of the respondents in terminating the lease during moratorium is in violation of section 14(1)(d) as the interest created in favour of CD by virtue of the lease on which whole of the business was dependent, and declared the order of termination as null and void.

Reid and Taylor India Limited [M.A. 1392/2019 in CP No. 382/IB/MB/MAH/2018]

The AA dealt with two issues as under:

(a) Whether the applicant is entitled to realise their security interest in the manner specified under section 52(1)(b) read with regulation 37 of the IBBI (Liquidation process) Regulations, 2016? The AA held: "...only the first charge holder/the secured creditor with first pari-passu charge can stay outside the liquidation process by the Liquidator and realize his security interest in the manner provided under the above provisions of law..."

(b) Whether the AA has jurisdiction to determine the issue of disputed question of fact as to who the first charge holder is? The AA held: "...in this particular case documents speak for themselves. There is not a single document which raises even an iota of doubt as to the question who the first charge holder is. When the entire documents are in favor of then Applicant, excepting a frivolous/untenable claim by the Edelweiss on the issue of first charge does not create a bar on this Tribunal to decide the issue as to who is the first charge holder on the basis of un-contradictable/ undisputable documentation."

Deccan Chronicle Holdings Ltd. [IAs in CP(IB) No. 41/7/HDB/2017]

The issue for consideration was whether FCs holding security interest over the assets of the CD being given a higher amount in resolution plan than those who are not holding the security interest or holding security interest which is lower in value, is discriminatory or not. The AA held: "It is very clear from the proceedings that Financial Creditor holding security interest over the assets of Corporate Debtor were given higher amount from out of the Resolution Fund than those who are not holding the security interest or holding security interest which is lower in value. This grouping of Financial Creditors does not amount to any discrimination. The creditors who are having valuable assets are to be given higher percentage from out of the Resolution fund than those who are holding less value of the assets..."

Precision Fasteners Ltd. [MA 1007/2018, MA 751/2019 in CP No. (IB)1339(MB)/2017]

The liquidator filed an application seeking possession of the flats. The respondent claimed that he had possession of the flat based on a letter issued by the CD. The AA noted that the said letter cannot be treated as valid document whereby the alleged property has been transferred to respondent. It ordered the respondent to vacate the flat and hand over the same to liquidator, failing which liquidator would be entitled to get the possession in accordance with law with the help of police.

IDBI Bank Limited Vs. Jaypee Infratech Ltd. [CAs in CP No. (IB) 77/ALD/2017]

The Reference Bench of the AA held as under:

(a) the CoC, taking into consideration section 21(2) of the Code, shall comprise of all FCs and must be construed as one and cannot be segmented class wise particularly for the purpose of computation of voting share;

(b) the voting share as are prescribed and required to be achieved under the respective provisions of the Code are mandatory in nature and cannot be held to be directory; and

(c) For the computation of voting share required to be achieved as prescribed in the Code, class wise voting of FCs, be it home buyers or lenders or otherwise and to treat the majority vote of that particular class in relation to a resolution, particularly by adding the voting share of those FCs who had abstained, as the will and vote of the entire class in the COC cannot be accepted.

M/s Empee Distilleries Limited [MA/496/2019 in CP/280/IB/2018]

An application under section 60(5) was filed by the promoter-director of the CD on the ground that the issue of limitation was not raised at the time of admission of the application. The AA observed that after admission, it becomes functus officio and cannot rotate clock back, therefore, does not have review power. It held: *"As to review jurisdiction is concerned, it is a statutory right that is given to the Court, therefore, Court especially the Adjudicating Authority cannot assume or appropriate jurisdiction which has not been explicitly provided under the Code. For review jurisdiction not being given, section 60(5) of the Code cannot be read as the provision providing review jurisdiction to this Bench. Therefore, we are of the view that this application is bereft of any jurisdiction."*

State Bank of India Vs. Jet Airways (India) Ltd. [CP2205(IB)/MB/2019]

Application for initiation of CIRP of the CD for non-repayment of various credit facilities provided to it was admitted. During the hearing, it was submitted that insolvency proceeding had already been initiated against the CD by a foreign court. Mr. R. Mulder, Administrator in Bankruptcy of Jet Airways (India) Ltd in Noord Holland District Court filed a written submission in the capacity as Intervenor stating that vide judgement dated 21st May, 2019, Hon'ble Noord Holland District Court, passed an order of bankruptcy against Jet Airways (India) Limited as per the provisions of Bankruptcy Act prevailing in the Netherlands. While noting that sections 234 and 235 of the Code are yet to be notified, the AA observed: *"Therefore, we as the Adjudicating Authority are not empowered to entertain the order passed by the foreign jurisdiction in the case, where the registered office of the Corporate Debtor company is situated in India, and the jurisdiction specifically lies with this court. Therefore, we cannot pass any order to withhold the Insolvency proceedings pending in our court based on the order of insolvency passed by any other jurisdiction, which is not authorised to pass order for the company, which is registered in India and the jurisdiction solely lies with this court."* It clarified that the order of the foreign court is a nullity in the eyes of law and such order cannot be given effect. While admitting the application, the AA directed the IRP to proceed in the matter with immediate effect without being influenced by order of the Noord Holland District Court, Netherland. It advised that every effort should be made by the IRP/RP, and members of CoC to expedite the matter and try to finalise the resolution plan on a fast track mode and they should not wait for the expiry of the statutory period of 180/270 days.

M/s VMS Equipment Pvt. Ltd. Vs. M/s Primrose Infratech Pvt. Ltd. [(IB) 995(ND)/2018]

One IP had received initially consent of 94% of the claimants to act as their authorised representative. However, some of the claimants later on resiled and exercised their vote as NOTA. The AA

observed: *"We do not find any such right vested with the allottees under the Code. This bench therefore confirms the appointment of Mr. Navneet Arora as the AR to represent the home buyers."*

Rama Subramaniam Vs. M/s Sixth Dimension Projects Solutions Limited [MA No. 1626/2018 in CP(IB)587/ I&BP/ 2018]

The issue before the AA was whether it is open for the CoC to choose any person they like from the list of qualified RPs and appoint them or change them according to their whims and fancies, even when the AA finds a particular IRP as very competent and performing his duties with high integrity without fear or favour. The AA observed: *"the COC has no absolute power to change the IRP / RP at their whims and fancies without any valid or tenable reasons. The change of RP must be rational/tenable/reasonable and not at the whims and fancies of the COC."*

Rohit Ferro Tech Limited [CP (IB) No. 1214/KB/2018]

The AA considered whether SBI initiated proceedings on the basis of RBI circular dated 12th February, 2018 or the proceeding was independent of the same. It observed that SBI letter dated 23rd August, 2018 clearly indicates that the proceeding was initiated against the CD because there were clear guidelines from the RBI and those contained in its circular dated 12th February, 2018. It held that CIRP was not maintainable in light of judgement of the SC in the matter of Dharani Sugars & Chemicals Ltd Vs Uol & Ors.

Special Court

Insolvency and Bankruptcy Board of India Vs. Liberty House Group Pvt. Ltd. [CNR No. HR GR01-004401-2019] (CIS No. COMA/02/2019)]

IBBI filed a complaint under section 236(2) of the Code against the resolution applicant and its officers for knowingly and willfully contravening the terms and conditions of the approved resolution plan. The special court took cognizance of the complaint and ordered that the respondents are prima facie liable to be prosecuted for commission of offences punishable under section 74(3) of the Code.

Foreign Courts

In the matter of Jet Airways (India) Limited

The following two foreign proceedings were initiated against the CD as under:

(a) The Noord-Holland District Court, vide its order dated 29th April, 2019, declared Jet Airways (India) Limited to be in a state of bankruptcy and appointed an administrator in bankruptcy. It noted that the CD has its registered office in India. However, it does pursue a profession or business in the Netherlands and has an office at Schipol so that the Court is competent to deal with the bankruptcy petition pursuant to section 2(4) of the Bankruptcy Act. It was prima facie clear from the claims made in the petition that creditors have a right of action and that there are facts and circumstances which show that the debtor is in the condition of having ceased to pay.

(b) The High Court of Justice Business and Property Courts of England and Wales, vide order dated 19th June, 2019 under the Insolvency Act, 1986, upon the petition of HM Revenue and Customs, ordered winding up of the Jet Airways (India) Ltd. It was contended that the company's main interest is in the United

Kingdom. In the absence of any challenge to that the company's centre of main interest is elsewhere, the Court accepted this contention.

IBBI

Mr. Sanjay Kumar Ruia, Insolvency Professional (Order dated 17th April 2019)

The Disciplinary Committee (DC) found that Mr. Ruia attempted to charge abnormally high fee in relation to the services. He acted mala fide by seeking increase of his fee after approval of fee by the AA and displayed professional incompetence by using stale information for decision making. The DC also found that Mr. Ruia contracted with the OC, who is not legally competent to appoint RP, to the effect that he would work as RP and he would work for a professional fee of Rs. 12.5 lakh per month. This is an attempt to lock in his appointment as RP before the competent authority, that is, CoC is constituted thereby denuding the competent authority of its rights to choose a RP and fix his fees. An agreement with the applicant establishes his collusion, indicating compromise of professional independence. Mr. Ruia failed to provide material called upon by the Inspecting Authority, which amounts to non-cooperation with the Authority and hindrance to the work of the Board. As IRP, he filed applications for initiating CIRP of 14 CDs and proposed to appoint his spouse as IRP of all the 14 CIRPs. He failed to avoid conflict of interest and lacked integrity and independence. The DC observed: *"When relationship triumphs over merits in professional matters, there is no place for independence, integrity and impartiality. A professional must be not only be impartial, but also appear to be impartial. Does a professional appear impartial if he gives 15 professional assignments at one go to his spouse? Any conduct, whether explicitly prohibited in the law or not, is unfair if it impinges on independence, integrity and impartiality of an IP or inconsistent with the reputation of the profession."* It further observed: *"It is evident from submission of Mr. Ruia that he is often defending himself on pretexts such as typographical error, wrong reporting, wrong classification, mistake, oversight, failure to provide records, reliance on stale information, etc. It is difficult to grant benefit of doubt to him for all such pretexts. If he is an embodiment of all these pretexts, it is doubtful if Mr. Ruia deserves to continue as an IP"*. The DC suspended registration of Mr. Ruia for two years and directed that Mr. Ruia shall (i) undergo the pre-registration educational course from his IPA, and (ii) work for at least six months as an intern with a senior IP, at any time during the period of suspension, to improve his understanding of the Code and the regulations made thereunder.

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.

Insolvency Resolution

Since the coming into force of the provisions of CIRP with effect from 1st December, 2016, 2162 CDs have been admitted into CIRP by the end of June, 2019, as presented in Table 1. Of these, 174 have been closed on appeal or review or settled; 101 have been withdrawn; 475 have ended in liquidation and 120 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	705
Jul - Sept, 2018	705	241	29	27	31	86	773
Oct - Dec, 2018	773	275	8	36	16	78	910
Jan - Mar, 2019	910	373	20	19	17	81	1145
Apr - Jun, 2019	1145	286	12	18	22	87	1292
Total	NA	2162	174	101	120	475	1292

*These exclude 3 resolutions which have since yielded into liquidation

Source: Compilation from website of the NCLT

Table 2: Sectoral Distribution of CDs under CIRP as on 30th June, 2019

Sector	No. of CIRPs		
	Closed	Ongoing	Total
Manufacturing	382	517	899
Food, Beverages & Tobacco Products	37	68	105
Chemicals & Chemical Products	38	46	84
Electrical Machinery & Apparatus	32	46	78
Fabricated Metal Products	27	31	58
Machinery & Equipment	43	57	100
Textiles, Leather & Apparel Products	64	87	151
Wood, Rubber, Plastic & Paper Products	39	57	96
Basic Metals	76	86	162
Others	26	39	65
Real Estate, Renting & Business Activities	164	257	421
Construction	74	153	227
Wholesale & Retail Trade	97	117	214
Hotels & Restaurants	23	37	60
Electricity & Others	19	36	55
Transport, Storage & Communications	25	35	60
Others	86	140	226
Total	870	1292	2162

The distribution of stakeholders who triggered resolution process is presented in Table 3. OCs triggered 50% of the CIRPs, followed by about 40 % 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	101	93	39	233
Oct - Dec, 2017	69	64	14	147
Jan - Mar, 2018	89	84	22	195
Apr - Jun, 2018	129	99	18	246
Jul - Sept, 2018	141	84	16	241
Oct - Dec, 2018	161	98	16	275
Jan - Mar, 2019	174	178	21	373
Apr - Jun, 2019	151	123	12	286
Total	1080	868	214	2162

The status of CIRPs as on 30th June, 2019 is presented in Table 4.

Table 4: Status of CIRPs as on 30th June, 2019

Status of CIRPs	No. of CIRPs
Admitted	2162
Closed on Appeal / Review/ Settled	174
Closed by Withdrawal under section 12A	101
Closed by Resolution	120
Closed by Liquidation	475
Ongoing CIRP	1292
> 270 days	445
> 180 days ≤ 270 days	221
> 90 days ≤ 180 days	349
≤ 90 days	277

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

2. The number of days pending includes time excluded by the Tribunals.

Withdrawal under section 12A

Till June, 2019, a total of 101 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	39
> 01 ≤ 10	28
> 10 ≤ 50	15
> 50 ≤ 100	06
> 100 ≤ 1000	03
> 1000	02
Reason for Withdrawal**	
Full settlement with the applicant	28
Full settlement with other creditors	06
Agreement to settle in future	08
Other settlements with creditors	34
Corporate debtors not traceable	02
Corporate debtor struck off the Register	01
Applicant not pursuing CIRP due to high cost	02
Others	14

* Data awaited in 8 CIRPs

**Data awaited in 6 CIRPs.

Resolution Plans

It is seen that about 54.59% of the CIRPs, which were closed, ended in liquidation, as compared to 13.79% ending with a resolution plan. However, it is important to note that 73% of the CIRPs ending in

Table 7: CIRPs Yielding Resolution

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
Part A: Prior Period (Till 31st March, 2019)										
1	Mandhana Industries Ltd.*		29-09-2017	30-11-2018	FC					
2	Kitply Industries Pvt. Ltd.	Yes	01-05-2018	07-12-2018	FC	823.64	154.43	170.51	20.70	110.41
3	Fortune Pharma Pvt. Ltd.	Yes	28-08-2017	20-02-2019	CD	31.44	17.21	16.99	54.04	98.72
4	Pro Minerals Pvt. Ltd.	No	09-05-2018	22-02-2019	FC	766.12	201.33	274.00	35.76	136.09
Part B: April - June, 2019										
1	Applied Electro Magnetics Pvt. Ltd.	No	26-10-2017	02-04-2019	OC	51.96	6.14	9.50	18.28	154.72
2	Anand Distilleries Pvt. Ltd.	No	14-02-2018	08-04-2019	FC	94.58	22.78	23.02	24.34	101.05
3	SPS Steel Rolling Mills Ltd.	No	22-12-2017	08-04-2019	FC	1950.07	193.65	265.00	13.59	136.84
4	Aryavart Chemicals Pvt. Ltd.	No	19-03-2018	15-04-2019	OC	35.80	7.21	5.20	14.53	72.12
5	Calyx Chemicals & Pharmaceuticals Ltd.	No	06-02-2018	16-04-2019	FC	1418.37	41.89	68.30	4.82	163.05
6	Dighi Port Ltd.#	No	06-04-2018	08-05-2019	OC	3056.96	356.3	651.12	21.30	182.74
7	Shivam Fragrances Pvt. Ltd.	No	11-06-2018	08-05-2019	FC	254.41	3.85	254.41	100.00	6608.05
8	Marsons Ltd.	Yes	20-06-2018	09-05-2019	OC	100.91	34.02	34.00	33.69	99.94
9	Tecpro System Ltd.	No	07-08-2017	15-05-2019	FC	8035.41	344.93	465.00	5.79	134.81
10	Tehri Iron and Steel Casting Ltd.	No	31-05-2018	21-05-2019	OC	24.80	48.00	31.75	128.02	66.15
11	Dadi Impex Pvt. Ltd.	No	22-05-2018	22-05-2019	OC	48.49	41.36	48.49	100.00	117.24
12	Allied Strips Ltd.	Yes	16-03-2018	30-05-2019	FC	1659.69	188.76	227.21	13.69	120.37
13	Bhushan Energy	No	08-01-2018	30-05-2019	FC	2779.95	721.32	730.00	26.26	101.20
14	Deccan Chronicle Holdings Ltd.	No	05-07-2017	03-06-2019	FC	8180.65	530.49	357.50	4.37	67.39
15	Aster Building Solutions Pvt. Ltd.	No	23-03-2018	04-06-2019	OC	66.72	22.27	56.25	84.31	252.58
16	Dexin Medi Solutions Pvt. Ltd.	Yes	12-11-2018	07-06-2019	OC	7.44	14.49	6.98	93.82	48.17
17	J.D. Aneja Edibles Pvt. Ltd.	No	04-06-2018	07-06-2019	FC	5.18	8.64	5.36	103.47	62.04
18	Vishwakarma Real Estate & Constructions (I) Pvt. Ltd.*		06-04-2018	11-06-2019	FC					
19	Tiffins Barytes Asbestos & Paints Ltd.	Yes	12-03-2018	12-06-2019	FC	112.53	253.98	62.97	55.96	24.79
20	KND Engineering Technologies Ltd.	No	30-08-2018	12-06-2019	OC	57.62	26.54	30.00	52.07	113.04
21	Orchid Pharma Ltd.**	No	17-08-2017	27-06-2019	OC	3526.73	1309.49	1034.78	29.34	79.02
22	AML Steel and Power Ltd.*		12-03-2018	27-06-2019	FC					
Total (April - June, 2019)						31468	4176	4367	14	104
Total (Till June, 2019)						252577	57547	108070	43	188

*Data awaited

** CIRP was restarted on failure of earlier approved resolution plan.

AA, vide order dated 8th May, 2019, granted conditional approval to the resolution plan. The successful resolution applicant was directed to file affidavit accepting the changes to the scheme as stated in the order.

Defunct: Not Going Concern/ Erstwhile BIFR

liquidation (348 out of 475) 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	125	148	75	348
Resolution Value ≤ Liquidation Value	148	168	76	392
Resolution Value > Liquidation Value	39	20	20	79

Note: 1. There were 38 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 for 4 CIRPs, awaited

Till March, 2019, 95 CIRPs had yielded resolution plans as presented in the last newsletter. Four more CIRPs were later reported as yielding in resolution plans during that period, as presented in Part A of Table 7. Of these, implementation of the approved resolution plan in one of the CIRPs has failed resulting in resumption of CIRP which has again yielded in resolution plan in this quarter. During this quarter, 22 CIRPs yielded resolution plans with different degrees of realisation in comparison to the liquidation value as presented in Part B of Table 7. Realisation by FCs in comparison to liquidation value in respect of the CD is 104%, while the realisation by them in comparison to their claims is 14%. Till June, 2019, realisation by FCs in comparison to liquidation value in respect of the CD is 188%, while the realisation by them in comparison to their claims is 43%.

(Amount in Rs. crore)

Liquidation

Till 31st March, 2019, a total of 378 CIRPs had yielded liquidation, as presented in the last Newsletter. Ten more CIRPs were later reported as yielding liquidation during that period, as indicated in Part A of Table 8. During the quarter April-June, 2019, 87 CIRPs ended in liquidation, taking the total CIRPs yielding liquidation to 475. The details of the CIRPs ending in orders of 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
Part A: Prior Period (till 31st March, 2019)					
1	Today's Writing Instruments Ltd.*		OC	05-10-2017	30-11-2018
2	Brand Connect Communication (I) Pvt. Ltd.	Yes	OC	27-03-2018	28-01-2019
3	Tara Chand Rice Mills Pvt. Ltd.*		OC	16-03-2018	12-02-2019
4	Parasrampuriah Synthetics Ltd.	Yes	FC	17-05-2018	15-02-2019
5	Sonachi Industries Ltd.	No	OC	02-05-2018	28-02-2019
6	Usher Agro Ltd.	No	FC	21-03-2018	07-03-2019
7	Kolkata Conductor & Cabels Pvt. Ltd.	No	FC	11-09-2018	12-03-2019
8	P K Industries Pvt. Ltd.	Yes	CD	23-03-2018	25-03-2019
9	Ciemme Jewels Ltd.	Yes	OC	18-04-2018	25-03-2019
10	Grandmother India Design Pvt. Ltd.	Yes	FC	30-06-2017	16-04-2018
Part B: April - June, 2019					
1	Zynke Exports Pvt. Ltd.	Yes	FC	08-06-2018	01-04-2019
2	Interlink Petroleum Ltd.	Yes	FC	07-09-2018	01-04-2019
3	R R Polynet Pvt. Ltd.	No	OC	05-03-2018	01-04-2019
4	Royal Twinkle Star Club Ltd.	Yes	OC	02-05-2017	01-04-2019
5	Cytrus Check Inns Ltd.	Yes	OC	02-05-2017	01-04-2019
6	Shree Balaji Printopack Pvt. Ltd.	Yes	OC	13-06-2018	03-04-2019
7	Su Kam Power Systems Ltd.	No	FC	05-04-2018	03-04-2019
8	Easytech Global Pvt. Ltd.	Yes	OC	04-10-2018	03-04-2019
9	Navran Advanced Nano Products Developments International Pvt. Ltd.	Yes	CD	16-03-2018	04-04-2019
10	RRP Housing Pvt. Ltd.	Yes	FC	29-12-2017	04-04-2019
11	Enfield Apparels Ltd.	Yes	FC	06-08-2018	04-04-2019
12	Bawree Fashions Pvt. Ltd.	No	FC	25-04-2018	08-04-2019
13	Seven Eleven Business Services Pvt. Ltd.	Yes	FC	22-02-2018	09-04-2019
14	Richa Creation India Pvt. Ltd.	Yes	FC	16-08-2017	09-04-2019
15	Care IT Solutions Pvt. Ltd.	Yes	FC	17-10-2018	10-04-2019
16	Vidhya Pharmachem Pvt. Ltd.	Yes	OC	07-05-2018	10-04-2019
17	Fortune Graphics Ltd.	No	FC	04-05-2018	10-04-2019
18	South Indian Mint and Aromatic Products Ltd.	Yes	OC	04-06-2018	10-04-2019
19	Sonear Industries Ltd.	Yes	FC	16-05-2018	10-04-2019
20	Lata Export Apparels Pvt. Ltd.	Yes	CD	08-01-2018	10-04-2019
21	Shri Veeraganpathi Steels Pvt. Ltd.	Yes	FC	26-04-2018	12-04-2019
22	FE (India) Ltd.	Yes	OC	18-05-2018	12-04-2019
23	Royal Agro Green Food Industries Pvt. Ltd.	Yes	OC	03-04-2018	15-04-2019
24	Galaxy Cosmetics Pvt. Ltd.	Yes	OC	30-08-2018	15-04-2019
25	Ind-Barath Power (Madras) Ltd.	Yes	OC	14-08-2017	22-04-2019
26	East Coast Energy Pvt. Ltd.	Yes	FC	03-04-2018	22-04-2019
27	Vivid IT Solutions Pvt. Ltd.	Yes	OC	17-10-2018	22-04-2019
28	Ekavira Ventures Ltd.	No	CD	30-07-2018	23-04-2019
29	Pack Tech System Pvt. Ltd.	Yes	FC	10-10-2018	24-04-2019
30	Oneworld Creations Pvt. Ltd.	No	OC	07-09-2018	24-04-2019
31	Sri Krishnakanth Textiles Pvt. Ltd.	Yes	OC	02-11-2017	25-04-2019
32	ABG Shipyard Ltd.	No	FC	01-08-2017	25-04-2019
33	AS Sales & Exports Pvt. Ltd.	No	OC	09-07-2018	26-04-2019
34	Sri Textile Erode Pvt. Ltd.	Yes	OC	04-10-2018	29-04-2019
35	Kusalava Batteries Pvt. Ltd.	Yes	OC	16-11-2018	29-04-2019
36	Liquid Space Entertainment Pvt. Ltd.	Yes	FC	29-11-2018	30-04-2019
37	Shilpi Cable Technologies Ltd.	No	OC	24-05-2017	01-05-2019
38	Taj Haberdashery Products Pvt. Ltd.	Yes	OC	29-10-2018	01-05-2019
39	Avani Energy Solutions Pvt. Ltd.	Yes	OC	11-05-2018	01-05-2019
40	Padia Timber Co. Pvt. Ltd.	No	CD	29-08-2018	02-05-2019
41	Hindustan Paper Corporation Ltd.	Yes	OC	13-06-2018	02-05-2019

Sl. No.	Name of CD	Defunct (Yes / No)	CIRP Initiated by	Date of Commencement of CIRP	Date of Liquidation Order
42	Charbhujia Industries Pvt. Ltd.	No	FC	19-06-2017	02-05-2019
43	CT Ramanathan Infrastructure Pvt. Ltd.	No	FC	21-11-2017	03-05-2019
44	BKR Hotels and Resorts Pvt. Ltd.	No	FC	14-08-2018	03-05-2019
45	Vinayaga Infra Ltd.	Yes	FC	05-10-2018	03-05-2019
46	Advance Powerinfra Tech Ltd.	No	OC	27-09-2018	06-05-2019
47	Sterling Biotech Ltd.	No	FC	11-06-2018	08-05-2019
48	Project Master Electricals Pvt. Ltd.	Yes	FC	10-09-2018	09-05-2019
49	Yes Power & Infrastructure Ltd.*		FC	11-05-2018	10-05-2019
50	RLA Holdings Pvt. Ltd.	Yes	FC	02-08-2018	17-05-2019
51	Bengal India Global Infrastructure Ltd.	Yes	OC	11-10-2018	17-05-2019
52	Thrive Solar Energy Pvt. Ltd.	No	OC	31-10-2018	17-05-2019
53	Dharam Paul Metal Pvt. Ltd.	Yes	OC	15-10-2018	20-05-2019
54	Aeon Paper Mills Pvt. Ltd.	Yes	CD	10-07-2018	21-05-2019
55	Norton Aluminium (India) Pvt. Ltd.	Yes	CD	22-06-2018	29-05-2019
56	Lupin Telepower Pvt. Ltd.	Yes	CD	13-03-2019	29-05-2019
57	Moser Baer Solar Ltd.	No	FC	14-11-2017	30-05-2019
58	TVC Skyshop Ltd.	Yes	OC	28-08-2018	30-05-2019
59	Delicious Coco Water Pvt. Ltd.	No	FC	06-03-2018	31-05-2019
60	K. T. C Foods Pvt. Ltd.	No	OC	29-08-2018	31-05-2019
61	Tanisa Denim Pvt. Ltd.	Yes	FC	15-11-2018	31-05-2019
62	Nizam Deccan Sugars Ltd.	No	CD	20-09-2017	03-06-2019
63	Optic Advisory Services Pvt. Ltd.	Yes	CD	16-10-2018	03-06-2019
64	Triumph India Software Services Pvt. Ltd.	No	FC	05-04-2018	04-06-2019
65	Fatheyperi Gardens Pvt. Ltd.	Yes	FC	05-10-2018	04-06-2019
66	Autodecor Pvt. Ltd.	Yes	OC	02-08-2018	04-06-2019
67	Smaat India Pvt. Ltd.	Yes	OC	03-08-2018	06-06-2019
68	AKR Holdings Ltd.	Yes	FC	15-11-2018	07-06-2019
69	Shriramrathi Steels Pvt. Ltd.	No	FC	02-08-2018	10-06-2019
70	Cals Refineries Ltd.	Yes	OC	23-11-2017	10-06-2019
71	DSRM Steels Pvt. Ltd.	Yes	FC	30-10-2018	12-06-2019
72	Velohar Infra Pvt. Ltd.	Yes	OC	29-08-2018	12-06-2019
73	RLS Alloys Pvt. Ltd.	Yes	OC	03-12-2018	14-06-2019
74	Amazon Enterprises Pvt. Ltd.	Yes	OC	29-10-2018	14-06-2019
75	Vishwa Infrastructures & Services Pvt. Ltd.	No	FC	31-08-2018	14-06-2019
76	Varia Aluminum Pvt. Ltd.	Yes	FC	20-11-2017	17-06-2019
77	DC Industrial Plant Services Pvt. Ltd.	No	FC	30-07-2018	19-06-2019
78	Gaytech Engineering Pvt. Ltd.	Yes	CD	22-12-2017	04-06-2019
79	Maadurga Thermal Power Company Ltd.	Yes	FC	08-06-2018	25-06-2019
80	Tanjara Trading Pvt. Ltd.	Yes	OC	30-11-2018	25-06-2019
81	Danke Electricals Ltd.	Yes	OC	27-07-2018	12-06-2019
82	Lotus Shopping Centres Pvt. Ltd.	No	FC	30-08-2018	18-06-2019
83	Trishul Electric and Powergen Ltd.	Yes	FC	24-08-2018	11-06-2019
84	Le Ecosystem Technology India Pvt. Ltd.	Yes	OC	09-11-2018	28-06-2019
85	Arion Cement Manufacturing Pvt. Ltd.	Yes	FC	12-12-2018	24-06-2019
86	S Kumars Nationwide Ltd.	No	FC	24-04-2018	19-06-2019
87	Sunil Hitech Engineers Ltd.*		FC	10-09-2018	25-06-2019

* Data awaited

Defunct: Not Going Concern/ Erstwhile BIFR

The status of liquidation process as on 30th June, 2019 is presented in Table 9.

Table 9: Status of Liquidation Process as on 30th June, 2019

Status of Liquidation	Number
Initiated	475
Final Report submitted	17
Closed by Dissolution	111
Ongoing	458
> Two Years	00
> 360 days	128
> 270 days ≤ 360 days	84
> 180 days ≤ 270 days	78
> 90 days ≤ 180 days	81
≤ 90 days	87

Till 31st March, 2019, 6 liquidations were closed as presented in the last Newsletter. During quarter April - June, 2019, 5 more liquidations were closed, the details of which are presented in Table 10. Hence, 11 liquidations are closed up to 30th June, 2019.

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

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
Maa Tara Industrial Complex Private Limited	16-03-2018	0.03	0	NA	0	04-03-2019
Barjora Steel & Re-Rolling Mills Private Limited	21-03-2018	9.04	6.95	6.01	5.66	14-05-2019
SKC Retail Limited	22-06-2018	280.41	0	NA	0	02-04-2019
Tech Megacorp Intl Pvt. Ltd	22-06-2018	41.35	0	NA	0	02-04-2019
New- Tech Fittings Pvt. Ltd.	18-12-2017	11.54	1.59	2.06	1.93	03-06-2019

'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	9	183
AA rejected the resolution plan for non-compliance with the requirements	0	16
CoC decided to liquidate the corporate debtor during CIRP	8	130
CD contravened provisions of resolution plan	0	01
Total	17	330

Data is available for only 330 cases.

Further, 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 280 liquidations, for which data is available, are presented in Table 12.

Table 13: Six 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		
Electrosteel Steels Ltd.	13175	5320	40.38	183.45	Vedanta Ltd.
Bhushan Steel Ltd.	56022	35571	63.50	252.88	Barnipal Steel Ltd.
Monnet Ispat & Energy Ltd.	11015	2892	26.26	123.35	Consortium of JSW and AION Investments Pvt. Ltd.
Essar Steel India Ltd.	49473	30030	60.70	265.18	Arcelor Mittal India Pvt. Ltd.
Alok Industries Ltd.	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

Note: 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.

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 30th June, 2019, 452 corporate persons initiated voluntary liquidation, the details of which are given in Table 14. Final reports in respect of 114 voluntary liquidations have been submitted by 30th June, 2019.

Table 12: Claims in Liquidation Process

(Amount / Value in Rs. crore)

Stakeholders under Section	Number of Claimants	Amount of claims Admitted	Liquidation Value	Amount Realised	Amount distributed
17 Liquidations where Final Report Submitted					
53 (1) (a)					0.44
53 (1) (b)	36	5,733			10.7
53 (1) (c)	13	0.30			0.10
53 (1) (d)	7	80			0.70
53 (1) (e)	9	172	13.70	12.34	0.40
53 (1) (f)	18	14			0
53 (1) (g)	0	0			0
53 (1) (h)	2	0.03			0
Total (A)	85	5,999.33			12.34
Ongoing 313 Liquidations*					
53 (1) (a)					
53 (1) (b)	20,559	216,897			
53 (1) (c)	10,963	1,143			
53 (1) (d)	4,683	33,432			
53 (1) (e)	322	5,146			
53 (1) (f)	4,750	14,560	10,832		
53 (1) (g)	0	0			
53 (1) (h)	546	485			
Total (B)	41,823	271,663			
Grand Total (A + B)	41,908	277,662	10846		

* Data for other liquidations is not available.

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 six CDs have been approved. Due to failure of implementation of approved resolution plan in Amtek Auto Limited, the process has restarted. Other accounts are at different stages of the process. The outcome of six large accounts that ended with resolution plans is presented in Table 13.

Table 14: Commencement of Voluntary Liquidations till 30th June 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
Total		452	114	338

The status of 452 liquidations is presented in Table 15.

Table 15: Phasing of Voluntary Liquidations

Status of Liquidation	Number
Initiated	452
Final Report Submitted	114
Closed by Dissolution	56
Ongoing	338
> Two Years	00
> 360 days	100
> 270 days ≤ 360 days	55
> 180 days ≤ 270 days	31
> 90 days ≤ 180 days	83
≤ 90 days	69

While 452 cases of voluntary liquidations were admitted till 30th June, 2019, the reasons for these initiations are available for 415 cases, which are presented in Table 16.

Table 16: Reasons for Voluntary Liquidation

Sl. No.	Reason for Voluntary Liquidation	No. of Corporate Persons
1	Not carrying business operations	254
2	Commercially unviable	59
3	Running into losses	10
4	No revenue	19
5	Promoters unable to manage affairs	5
6	Purpose for which company was formed accomplished	5
7	Contract termination	5
8	Miscellaneous	58
Total		415

Table 18: Realisations under Voluntary Liquidation

(Amount in Rs. crore)

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
Part A: Prior Period (till 31st March, 2019)								
1	Fair Energy & Minerals Pvt. Ltd.	04-10-2017	11-03-2019	1.90	-	-	1.37	0.53
Part B: April - June, 2019								
1	Ray White (India) Pvt. Ltd.	27-10-2017	12-04-2019	0.24	0.01	0.01	0.04	0.20
2	Watchtower International Pvt. Ltd.	20-08-2018	08-05-2019	0	-	-	0	0
3	Enterprise Nube Services Pvt. Ltd.	03-09-2018	08-05-2019	0.01	-	-	0.01	-
4	Sunder Bhawar Holiday Homes Pvt. Ltd.	26-06-2018	10-05-2019	39	-	-	1	38
5	Bahrah Trading Company India Pvt. Ltd.	28-03-2018	23-05-2019	0.20	-	-	0.02	0.18
6	Max Machinery Manufacturing Co. Private Limited	06-01-2018	29-05-2019	1.88	-	-	0.04	1.84
7	Mohan Woolen Mills Ltd.	23-07-2018	07-06-2019	0.03	0.01	0.01	0.01	0.02
8	Mahalaxmi Exim Pvt. Ltd.	23-02-2018	11-06-2019	0	-	-	0	-
9	Park Holdings Pvt. Ltd.	23-02-2018	11-06-2019	0	-	-	0	-
10	Parks Sales Pvt. Ltd.	23-02-2018	11-06-2019	0	-	-	0	-
11	Sphinx Investments Pvt. Ltd.	23-02-2018	11-06-2019	0	-	-	0	0
12	Zettata Technologies Pvt. Ltd.	28-08-2017	13-06-2019	0.03	0.00	0.00	0.01	0.02
13	Smiling Tree Media Ventures Pvt. Ltd.	20-08-2018	19-06-2019	0	-	-	0	0
14	Cognistreamer Consulting India Pvt. Ltd.	11-12-2017	26-06-2019	0.03	0.01	0.01	0.01	-

Service Providers

Insolvency Professionals

An individual, who is enrolled with an IPA as a professional member and has the required qualification and experience and has 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 30th June, 2019, IPA-wise, is presented in Table 19.

Table 19: Registered IPs as on 30th June, 2019

(Number)

City / Region	Indian Institute of Insolvency professional of ICAI	ICSI Institute of Insolvency Professionals	Insolvency Professional Agency of Institute of Cost Accountants of India	Total
New Delhi	329	206	55	590
Rest of Northern Region	249	146	39	434
Mumbai	299	93	23	415
Rest of Western Region	210	95	28	333
Chennai	104	67	10	181
Rest of Southern Region	263	139	37	439
Kolkata	155	34	16	205
Rest of Eastern Region	46	15	5	66
Total Registered	1655	795	213	2663
Cancellations	1	3	0	4
Registered as on 30 th June	1654	792	213	2659

Most of these corporate persons are small entities. 275 of them have paid up equity capital of less than Rs. 1 crore. Only 42 of them have paid-up capital exceeding Rs. 5 crore. The 415 corporate persons, for which details are available, have an aggregate paid up capital of Rs. 2607 crore with an aggregate outstanding debt of Rs. 857 crore. The details are presented in Table 17.

Table 17: Details of 415 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	114	271	395	4	4
Ongoing liquidations	301	2336	3605	*	
Total liquidations	415	2607	4000	*	

*For ongoing liquidations, outstanding debt amount is not available

It was reported in the last Newsletter that dissolution orders were passed in respect of 41 liquidations. One more dissolution order was later reported during that period, as indicated in Part A of Table 18. During the quarter April-June, 2019, 14 dissolution orders were issued, taking the total dissolutions to 56.

(Amount in Rs. crore)



Mr. K. R. Ratnam (Date of Birth: 26th November, 1927) receives certificate of registration as an Insolvency Professional from Mr. R. Dhariwal, CGM, IBBI

Of the 2663 IPs registered till date, registrations of four IPs have been cancelled after due disciplinary process. The registrations and cancellations of IPs, quarter-wise, till 30th June, 2019 are presented in Table 20.

Table 20: Registration and cancellation of registration of IPs

Quarter	No. of IPs		
	Registered	Cancelled	At the End of the quarter
Jan-Mar, 2017	96	0	96
Apr-Jun, 2017	450	0	546
Jul-Sep, 2017	561	0	1107
Oct-Dec, 2017	217	0	1324
Jan-Mar, 2018	488	0	1812
Apr-Jun, 2018	71	1	1882
Jul-Sep, 2018	154	1	2035
Oct-Dec, 2018	253	1	2287
Jan-Mar, 2019	170	1	2456
Apr-Jun, 2019	203	0	2659
Total	2663	4	2659

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 21 presents distribution of IPs as per their eligibility (an IP may be a member of more than one Institute) as on 30th June, 2019.

Table 21: Distribution of IPs as per their Eligibility

Eligibility	No. of IPs		
	Male	Female	Total
Member of ICAI	1357	126	1483
Member of ICSI	422	75	497
Member of ICAI (Cost)	139	11	150
Member of Bar Council	155	19	174
Managerial Experience	345	14	359
Total	2418	245	2663

The eligibility criteria for registration as an IP does not specify any restriction on the age of an individual. Table 22 presents the age profile of the IPs registered as on 30th June 2019.

Table 22: Age Profile of IPs

Age Group (in years)	IIP of ICAI	ICSI IIP	IPA of ICMAI	Total
> 33 ≤ 40	220	79	3	302
> 40 ≤ 50	586	290	39	915
> 50 ≤ 60	536	215	55	806
> 60 ≤ 70	292	191	111	594
> 70 ≤ 80	18	17	5	40
> 80 ≤ 90	2	3	-	5
> 90 ≤ 100	1	-	-	1
Total	1655	795	213	2663

Panel for IRP / Liquidator

In accordance with the Insolvency Professionals to act as Interim Resolution Professionals and Liquidators (Recommendation) Guidelines, 2019, IBBI prepared a panel of IPs for July - December, 2019 and shared the same with the AA. Table 23 presents bench wise number of IPs empaneled for July - December, 2019.

Table 23: Bench wise IPs in IBBI's Panel

NCLT Bench	No. of IPs
New Delhi	215
Mumbai	159
Hyderabad	116
Kolkata	105
Chandigarh	104
Chennai	98
Ahmedabad	73
Allahabad	54
Jaipur	32
Bengaluru	31
Cuttack	25
Kochi	20
Guwahati	3
Total	1035

Panel for Administrator

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

Table 24: zone-wise IPs in IBBI's Panel

Zone	No. of IPs
New Delhi	251
Mumbai	220
Kolkata	128
Chandigarh	111
Hyderabad	103
Chennai	97
Ahmedabad	67
Allahabad	53
Bengaluru	40
Jaipur	26
Kochi	11
Guwahati	2
Total	1109

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 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 30th June, 2019, a total of 414 IRPs have been replaced with RPs, as shown in Table 25.

Table 25: Replacement of IRP with RP as on 30th June 2019

CIRP initiated by	No. of CIRPs	
	Where RPs have been appointed	Where RP is different from the IRP
Corporate Applicant	201	87
Operational Creditor	863	211
Financial Creditor	756	116
Total	1820	414

Insolvency Professional Entities

During the quarter under review, six IPEs were recognised. As on 30th June, 2019, there are 54 IPEs. The details of recognised IPEs are given in Table 26.

Table 26: Recognised IPEs as on 30th June, 2019

Quarter	No. of IPEs		
	Recognised	De-recognised	At the end of the quarter
Jan-Mar, 2017	3	0	3
Apr-Jun, 2017	14	0	17
Jul-Sep, 2017	22	1	38
Oct-Dec, 2017	18	0	56
Jan-Mar, 2018	19	0	75
Apr-Jun, 2018	1	3	73
Jul-Sep, 2018	4	4	73
Oct-Dec, 2018	3	20	56
Jan-Mar, 2019	5	13	48
Apr-Jun, 2019	6	0	54
Total	95	41	54

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 IPA Regulations. IBBI meets MDs / CEOs of IPAs on 7th of every month to discuss issues arising from the IP profession and to energise them to discharge their responsibilities. The IPAs are conducting pre-registration educational course for prospective IPs and roundtables, seminars, workshops 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.

Information Utility

There is one information utility, namely, the National e-Governance Service Limited (NeSL). The 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. 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
Sep, 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

Registered Valuers

RVOs are frontline regulators for the registered valuers (RVs). They are responsible for development and regulation of the profession of RVs. The Companies (Registered Valuers and Valuation) Rules, 2017 notified under Companies Act, 2013 provide a comprehensive framework for development and regulation of valuers and

recognition of RVOs. At the end of 30th June, 2019, 11 entities have been recognised as RVOs. There are 9 RVOs recognized for all three asset classes, 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 individual RVs, RVO-wise, as on 30th June, 2019, is given in Table 28. In addition, there are two entities (Partnership Entity / Company) registered as RV during the quarter ended 30th June, 2019.

Table 28: Registered Valuers as on 30th June, (Number)

Registered Valuer Organisation	Asset Class			Total
	Land & Building	Plant & Machinery	Securities or Financial Assets	
Institution of Estate Managers and Appraisers	36	3	2	41
IOV Registered Valuers Foundation	713	108	67	888
ICSI Registered Valuers Organisation	0	0	38	38
The Indian Institution of Valuers	55	15	18	88
ICMAI Registered Valuers Organisation	9	10	109	128
ICAI Registered Valuers Organisation	NA	NA	341	341
PVAI Valuation Professional Organisation	170	26	9	205
CVSRTA Registered Valuers Association	144	39	NA	183
Association of Certified Valuers and Analysts	NA	NA	0	0
CEV Integral Appraisers Foundation	0	1	0	1
Divya Jyoti Foundation	0	0	0	0
Total	1127	202	584	1913

The growth of RVs, till 30th June, 2019, is given in Table 29.

Table 29: Registration of RVs till 30th June, 2019 (Number)

Quarter	Land & Building	Plant & Machinery	Securities or Financial Assets	Total
Apr - Jun, 2018	1	2	0	3
Jul - Sep, 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
Total	1127	202	584	1913

Of the RVs registered as on 30th June, 2019, 551 RVs (constituting 29% of the total RVs registered) are from metros while 1362 RVs (constituting 71% of the total RVs registered) are from non-metro locations. Geographical distribution of RVs, as on 30th June, 2019, is given in Table 30.

Table 30: Region wise Registered Valuers as on 30th June, 2019 (Number)

City / Region	Land & Building	Plant & Machinery	Securities or Financial Assets	Total
New Delhi	38	21	67	126
Rest of Northern Region	122	23	67	212
Mumbai	67	29	101	197
Rest of Western Region	325	50	91	466
Chennai	84	17	72	173
Rest of Southern Region	471	55	140	666
Kolkata	6	6	43	55
Rest of Eastern Region	14	1	3	18
Total	1127	202	584	1913

The average age of RVs as on 30th June, 2019 stood at 48 years. Across asset classes, the average age stood at 49 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 30th June, 2019, is given in Table 31. Of the 1913 RVs as on 30th June, 2019, 161 RVs (constituting 8.42% 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	36	3	51	90
> 30 ≤ 40	147	26	225	398
> 40 < 50	344	56	163	563
> 50 ≤ 60	498	58	109	665
> 60 ≤ 70	87	46	36	169
> 70 ≤ 80	14	12	0	26
> 80 ≤ 90	1	1	0	2
Total	1127	202	584	1913

Complaints and Grievances

The stakeholders may file a grievance or a complaint against a service provider under the IBBI (Grievance and Complaint Handling Procedure) Regulations, 2017. Besides this, grievances and complaints are received through the Centralised Public Grievance Redress and Monitoring System (CPGRAMS), Prime Minister's Office (PMO), MCA and other authorities. The receipt and disposal of grievances and complaints till 30th June, 2019 is given in Table 32.

Table 32: Receipt and Disposal of Grievances and Complaints till 30th June, 2019

Complaints and Grievances received	Received	Disposed	Under Examination
Complaints under the Regulations	165	72	93
Through CPGRAM/PMO/MCA/Other Authorities	399	364	35
Through Other Modes	864	589	275
Total	1428	1025	403

Examinations

Limited Insolvency Examination

IBBI has been conducting the Limited Insolvency Examination since 31st December, 2016. It reviews the Examination regularly to keep it relevant to the evolving needs of the market. It successfully completed the fourth phase of the Examination on 30th June, 2019. The Examination is available on a daily basis from various locations across the country. The details of the Examination are given in 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 - Dec, 2018)	625	116
Fourth Phase (Jan - Mar, 2019)	961	162
Fourth Phase (Apr - Jun, 2019)	1439	228
Total	20935	3831

IBBI published the revised syllabus, format, etc. of the Examination under regulation 3(3) of the IBBI (Insolvency Professionals) Regulations, 2016 on 30th March, 2019 for the fifth phase of the Examination, which would commence on 1st July, 2019.

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 31st March, 2018. 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/Period	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 - Jun, 2019)	626	154	1155	49	16	143
Total	10095	1819	5651	1797	340	850

Building Ecosystem

Graduate Insolvency Programme

Subject to other requirements, an individual is eligible to seek registration as an IP if he has completed a Graduate Insolvency Programme (GIP), as approved by the Board. A WG constituted by IBBI submitted its report recommending the structure, content and delivery mechanism for the GIP. GIP is designed to be 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. The objective of the programme is to deliver a cadre of top-quality IPs who can deliver world class services as resolution professionals, liquidators or in other capacities. Indian Institute of Corporate Affairs (IICA) has been granted approval by the Board to commence GIP. IICA invited applications and conducted an all India open competitive examination for admission into the programme. The results of the examination were declared on 19th June, 2019. 37 students have taken admission. The programme begins on 1st July, 2019.



Dr. M. S. Sahoo addressing on GIP at Kolkata High Court, 22nd April, 2019

Study Material for Valuation Examination

A need was felt to make available quality study material to enable students to prepare for the valuation examinations. The Centre for Valuation Studies, Research and Training Association (CVSRTA) had earlier developed study material for two asset classes, namely, (a) Land & Building, (b) Plant & Machinery, as per syllabus for the

examination. These were made available on the website of IBBI for free download by the users. The IOV Registered Valuers Foundation (IOVRVF) developed study material for the asset class, Securities or Financial Assets. IBBI has made it available on its website on 14th May, 2019 for free download by users.

Workshops

Train-the-Trainer Workshops

IBBI, in association with World Bank, organised two Train-the-Trainers workshops to groom trainers, who can impart in-depth, practical training in corporate insolvency to IPs. The first workshop with 24 would-be trainers was conducted in New Delhi from 6th to 8th April 2019. The second workshop with 11 would-be trainers was conducted in Mumbai on 12th to 14th April 2019.



Train-the-Trainers Workshop in New Delhi, 6th - 8th April, 2019



Train-the-Trainers Workshop in Mumbai, 12th - 14th April, 2019

A one-day orientation programme on individual insolvency was organised by IBBI on 13th June, 2019 in New Delhi to groom trainers who can train other IPs and officers working with Debt Recovery Tribunals on implementation of the provisions relating to individual insolvency under the Code. It covered varied aspects of individual insolvency, including introduction to rules and regulations on individual insolvency, essential principles, practical issues and structure and functioning of DRTs and DRATs. A total of 12 would-be trainers participated in the programme.



Orientation Programme for the Trainers in New Delhi, 13th June, 2019

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 two such workshops, the 15th and 16th in the series. The 15th workshop with 18 IPs was conducted on 12th - 13th April, 2019 at Jaipur. The 16th workshop with 30 IPs was conducted on 14th - 15th June, 2019 at Ahmedabad.



15th Workshop for IPs in Jaipur, 12th - 13th April, 2019



16th Workshop for IPs in Ahmedabad, 14th - 15th June, 2019

CoC Workshops

IBBI, jointly with the State Bank of India, organised a workshop on 'Committee of Creditors: An Institution of Public Trust' on 22nd April, 2019 at Kolkata. This was second such workshop organised for the benefit of FCs. 28 senior officers (General Managers and Executive

Directors) of major scheduled commercial banks and other financial institutions participated in the workshop. The third workshop in the series was organised by IBBI, in association with Indian Bank, on 29th June, 2019 at Chennai, wherein 22 senior officers (General Managers, Executive Directors and MDs) from various schedule commercial banks and other financial institutions participated.



CoC Workshop at Kolkata, 22nd April, 2019



CoC Workshop at Chennai, 29th June, 2019

Committees and Working Groups

The WG on Group Insolvency, chaired by Mr. U. K. Sinha, former Chairman, SEBI, had its 3rd and 4th meetings on 19th April, 2019 and 30th May, 2019 respectively. It deliberated the need of having an explicit framework for group insolvency and its contours and implementation.



Meeting of the Working Group on Group Insolvency, 19th April, 2019

The WG on Individual Insolvency and Bankruptcy, chaired by Mr. P. K. Malhotra, former Law Secretary, had its 8th meeting on 3rd May, 2019. It deliberated on issues related to operationalisation of fresh start process and possibility of using mediation for individual insolvency resolution within the IBC framework.



Meeting of the Working Group on Individual Insolvency, 3rd May, 2019

The Advisory Committee on Individual Insolvency and Bankruptcy, chaired by Hon'ble Mr. Justice B. N. Srikrishna, former Judge, Supreme Court of India, met on 16th May, 2019. It deliberated on the report of the WG on individual insolvency on the bankruptcy process for personal guarantors to corporate debtors. It also deliberated upon the need for an expeditious framework for fresh start process and mediation for individual insolvency matters under the IBC.



Meeting of the Advisory Committee on Individual Insolvency and Bankruptcy, 16th May, 2019

The Committee on Legal Issues, which was constituted on 8th May, 2018, met on 5th June, 2019. It deliberated on various emerging legal issues around CIRP.



Meeting of Committee on Legal Issues, 5th June, 2019

The Committee to Advise on Valuation Matters, chaired by Dr. R. Narayanaswamy, Professor, IIM, Bangalore had its 10th meeting on 7th June, 2019. It deliberated on the 'Practical Aspects on IVS 300 (Plant & Machinery)'.

Crowdsourcing of Ideas

It has been the endeavour of IBBI to effectively engage stakeholders in the regulation making process. The process generally starts with making draft regulations. IBBI puts these draft regulations out in public domain, seeking comments thereon. It holds a few roundtables to discuss draft regulations with the stakeholders. It takes the advice of its Advisory Committee. The process culminates with the Governing Board of IBBI finalising regulations and IBBI notifying them. This process endeavours to factor in ground reality, secures ownership of regulations and makes regulations robust and precise, relevant to the time and for the purpose.

Despite the best of efforts and intentions, a regulator may not always have the understanding of the ground realities, as much and as early as the stakeholders and the regulated may have, particularly in a dynamic environment. The stakeholders could, therefore, play a more active role in making regulations. They may contemplate, at leisure, the important issues in the extant regulatory framework that hinder transactions and offer alternate solutions to address them, in addition to responding urgently to draft regulations proposed by the regulator. This is akin to crowdsourcing of ideas. This would enable every idea to reach the regulator. Consequently, the universe of ideas available with the regulator would be much larger and the possibility of a more conducive regulatory framework much higher. Keeping this in view, IBBI invited comments on 9th April, 2019 from the public, including the stakeholders and the regulated, on the regulations already notified under the Code.

National Seminar on Valuation

IBBI, in association with all 11 RVOs, organised a National Seminar on Valuation on 8th June, 2019 at New Delhi. A large number of RVs and other delegates from across the country participated in the seminar. Mr. Injeti Srinivas, Secretary, MCA in his address as the Chief Guest, stressed on the importance of developing professional competence, conduct and ethics amongst valuers. He observed: *"We now feel that we have enough critical mass (of valuers) to once again make an attempt to have a national institute for the valuers' profession along the lines of ICAI."* The Seminar featured discussion on four themes, namely, (i) Valuation Profession in 2030: Challenges, Development and Regulation; (ii) Technology in Valuation; (iii) Professional Conduct: Code of Conduct and Ethics, Best Practices, and Valuation Standards; and (iv) Valuation Frontiers: Plant & Machinery, Land & Building, and Securities or Financial Assets.



National Seminar on Valuation in New Delhi, 8th June, 2019



National Seminar on Valuation in New Delhi, 8th June, 2019

Roundtable on Legal Developments

IBBI organised a roundtable on 'Legal developments and challenges under the Insolvency and Bankruptcy Code, 2016' on 9th June, 2019. Chief Justice (Rtd.) Mr. M. M. Kumar, Hon'ble President, NCLT presided over the roundtable. A joint IBBI-Vidhi publication titled 'Understanding the Insolvency and Bankruptcy Code, 2016: Analysing developments in jurisprudence' was released on the occasion. The publication tracks the legislative and judicial developments on 15 select issues that have been heavily litigated and provides settled legal position along with the rationale for the same.



Release of IBBI-Vidhi joint publication in New Delhi, 9th June, 2019

Advocacy and Awareness

GRR Live Singapore

Dr. M. S. Sahoo delivered the keynote address at the 2nd Annual Global Restructuring Review (GRR) Live Singapore Conference held on 1st April, 2019 in Singapore. In his keynote address, he dwelt on the journey of insolvency reforms in India and how this has changed the narrative from 'Hopeless End' to 'Endless Hope'. He also highlighted the key objectives and features of the Code. India had won the prestigious GRR Award for the "Most Improved Jurisdiction" for the year 2018.



2nd Annual GRR Live Singapore Conference in Singapore, 1st April, 2019

International Roadshows

IBBI, in association with FICCI and the Consulate General of India in Hong Kong, organised a roadshow on 'Insolvency and Bankruptcy Code - A New Paradigm for Stressed Assets' in Hong Kong on 24th-26th April, 2019. The Roadshow included a half-day Conference, which shared progress in implementation of the Code and emerging investment opportunities in stressed assets in India. It included meetings with focused groups of potential investors and professional firms. These meetings provided an opportunity to understand the working of the Code from their perspective and to seek clarifications on their concerns.



Roadshow in Hong Kong, 24th - 26th April, 2019

While inaugurating the Conference, Dr. M. S. Sahoo stated that potential investors - foreign or domestic - in Indian market may consider investing (a) in corporate bonds in view of considerable strengthening of rights of creditors, and (b) in distressed assets at competitive prices through resolution plans under the Code. He also enumerated several entry points for investment in the life cycle of a distressed asset under the Code. The team, which addressed the Conference and interacted with potential investors and professional firms in meetings with focused groups included: Dr. M. S. Sahoo, Chairperson, IBBI; Ms. Mrinalini Srivastava, Acting Consul General of India in Hong Kong; Ms. Anshula Kant, MD, SBI; Mr. Shardul Shroff, Executive Chairman, Shardul Amarchand Mangaldas & Co.; Mr. Bahram N. Vakil, Founding Partner, AZB and Partners, Advocates and Solicitors; Mr. Sumit Khanna, Partner & Head, Corporate Finance & Restructuring, Deloitte India; Mr. Manish Aggarwal, Partner and Head, Resolutions & Restructuring, KPMG; Mr. Sanjeev Krishan, Partner & Leader - Private Equity & Deals, PricewaterhouseCoopers Pvt. Ltd.; Mr. Mohit Saraf, Senior Partner, Luthra & Luthra, Law Offices; and Ms. Jyoti Vij, Deputy Secretary General, FICCI.

IBBI, in association with FICCI and the High Commission of India in Singapore, organised a similar roadshow in Singapore on 6th -7th June, 2019. The team included Dr. M. S. Sahoo, Chairperson, IBBI; His Excellency Mr. Jawed Ashraf, High Commissioner of India in Singapore; Mr. Gyaneshwar K. Singh, Joint Secretary, MCA; Mr. Sunil Mehta, Chairman, Indian Banks Association and MD & CEO, Punjab National Bank; Ms. Anshula Kant, MD, SBI; Mr. Shardul Shroff, Executive Chairman, Shardul Amarchand Mangaldas & Co, Advocates and Solicitors; Mr. Bahram N. Vakil, Founding Partner, AZB and Partners, Advocates & Solicitors; Mr. Mohit Saraf, Senior Partner, L & L Partners, Law Offices; Mr. A. S. Chandhiok, Senior Advocate; Mr. Sumit Khanna, Partner and National Head, Corporate Finance and Restructuring Services, Deloitte India; Mr. Sanjeev Agarwal, Partner-Deals, Corporate Finance and Investment Banking, PricewaterhouseCoopers Private Limited; Mr. Nikhil Shah, MD, Alvarez & Marsal; Mr. Sunil Sanghai, Founder & CEO, NovaDhruva Capital Pvt. Ltd.; Mr. R. K. Bansal, MD & CEO, Edelweiss ARC; Mr. Henry Wu, Director, Deutsche Bank AG; and Ms. Jyoti Vij, Deputy Secretary General, FICCI.



Roadshow in Singapore, 6th - 7th June, 2019

Conference on IBC

IBBI, in association with IP Foundation and Vidarbha Industries Association (VIA), organised a half-day conference on the Code on 18th April, 2019 at Nagpur. While inaugurating the Conference, Dr. (Ms.) Mukulita Vijayawargiya, WTM, IBBI highlighted the importance of the new law for economic growth and development of the country. The conference included two panel discussions, namely, 'IBC embedding financial discipline in Indian economy and its importance in long run', and 'IBC valuations - a real insight for entrepreneurs and investors'.



Conference on IBC in Nagpur, 18th April, 2019



Conference in Ranchi, 11th May, 2019

Conference on 'Laws and Economics of Insolvency & Bankruptcy'

IBBI, in association with the three IPAs, SiPI, Federation of Jharkhand Chamber of Commerce & Industries, National University of Study and Research in Law (Ranchi), IIM (Ranchi), Judicial Academy (Jharkhand), Chotanagpur Law College and ICAI University (Jharkhand), organised a Conference on 'Laws and Economics of Insolvency and Bankruptcy' on 11th May, 2019 at the Judicial Academy in Ranchi. Hon'ble Mr. Justice S. J. Mukhopadhaya, Chairperson, NCLAT, Hon'ble Mr. Justice Aniruddha Bose, Chief Justice, High Court of Jharkhand, Dr. M. S. Sahoo, Chairperson, IBBI and other distinguished speakers addressed the delegates. The delegates included members of higher judiciary, and judicial officers, academics, professionals, businessmen, and students of higher education from leading institutes of Ranchi.

Seminar on IBC: The Road Ahead

IBBI, in association with the Northern India Regional Council of the ICSI, organised a seminar on 'IBC: The Road Ahead' on 18th May, 2019 in New Delhi. The delegates included company secretaries, academics, IPs, chartered accountants, cost accountants, advocates, businessmen and students of higher education. Dr. M. S. Sahoo, Chairperson, IBBI inaugurated the seminar and released a Guidance Note on the Report of Board of Directors prepared by ICSI for benefit of company secretaries.



NIRC-ICSI and IBBI Joint Programme on IBC in New Delhi, 18th May, 2019



IBC Mega Summit in Kolkata, 25th May, 2019

Awareness Programme on IBC

At the request of the Central Electricity Regulatory Commission (CERC), IBBI conducted a half-day awareness programme on 'IBC, 2016: Its Applicability and Impact on Power Sector' in New Delhi on 29th May, 2019. Officers of CERC, Rural Electrification Corporation and Power Finance Corporation participated in the programme.



IBC Awareness Programme at CERC, 29th May, 2019



Programme by CII in Raipur, 1st June, 2019



Dr. M. S. Sahoo as Chief Guest at IBS Convocation, 15th June, 2019

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