

**Roadshow on 'Insolvency and Bankruptcy Code - A New Paradigm for Stressed Assets' in Hong Kong on 24<sup>th</sup> - 26<sup>th</sup> April 2019.**

FICCI, in association with the Insolvency and Bankruptcy Board of India and the Consulate General of India in Hong Kong, organised a Roadshow in Hong Kong from 24<sup>th</sup> - 26<sup>th</sup> April 2019 on 'Insolvency and Bankruptcy Code - A New Paradigm for Stressed Assets', in knowledge partnership with Deloitte India and Shardul Amarchand Mangaldas & Co.

2. The Roadshow included a half-day Conference, which shared progress in implementation of the Code and emerging investment opportunities in stressed assets in India, on 25<sup>th</sup> April, 2019. It included meetings with focused groups of potential investors and professional firms on 24<sup>th</sup>, 25<sup>th</sup> and 26<sup>th</sup> April, 2019. These meetings provided an opportunity to understand the working of the Insolvency and Bankruptcy Code, 2016 (Code) from their perspective and to address any misgivings..

3. 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, Managing Director, State Bank of India; 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.

4. While inaugurating the conference, Dr. 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. The Code envisages several entry points for investment in life cycle of a distressed asset. An investor may invest in a distressed asset when (a) a debtor is facing an impending default and is trying to avoid default which may push it into corporate insolvency resolution process (CIRP) and its attendant consequences; (b) a debtor has received a notice from an operational creditor demanding payment before initiating its CIRP and is trying to preempt filing of an application for initiation of CIRP; (c) an application has been filed for initiation of CIRP, but it is yet to be admitted and the debtor is trying preempt commencement of CIRP; (d) the CIRP has commenced, but expression of interest is yet to be invited and the applicant may be willing to withdraw the application subject to the approval of 90% of voting power of the Committee of Creditors; (e) the Resolution Professional has invited resolution plans and the investor alone or in partnership submits a resolution plan; (f) an order of liquidation of the debtor has been passed, but there is a proposal for compromise or arrangement; (g) the liquidator proposes to sell the debtor or the business(s) of the debtor as a going concern; or (h) a creditor is willing to sell the stressed asset.

5. Dr. M. S. Sahoo also mentioned that the market for distressed assets in India is vast and would continue to increase with expansion of credit market following insolvency reforms and increase in

intensity of innovation and competition in third largest economy in terms of purchasing power with growth potential of 7+% for over next two decades or so. He added: *“India is the right place and it is the right time for any serious investor”*

6. While delivering the theme address, Ms. Anshula Kant, Managing Director, State Bank of India pointed out that bankers’ approach to resolution and recovery has been changed with the implementation of the Code. The behaviour of debtor has changed; they are reaching out to bankers to resolve their stressed assets before being dragged into CIRP. In turn, bankers are open to offer flexibility in genuine cases where the debtor has been a victim of circumstances, despite best of his abilities, intentions and efforts.