

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

Subject: Graduate Insolvency Programme and IBBI Chair at Indian Institute of Corporate Affairs

1. The Ministry of Corporate Affairs (MCA) had informed [REDACTED] that as part of the Cabinet proposal for transferring Grant Assistance to MCA for the Indian Institute of Corporate Affairs (IICA), it had been decided that all statutory bodies, organisations and autonomous bodies under the administrative purview of the MCA shall identify their respective capacity development needs into a mutually acceptable MoU framework with IICA for delivery of tailor made training programmes, workshops, etc. as per pre-determined calendar. Accordingly, the MCA advised that an MoU may be finalised between IBBI and IICA for research, capacity building, etc. of IBBI along with corresponding budget.
2. In keeping with this decision, the IBBI signed an MoU with IICA on 10th April, 2018 with the aim to facilitate collaboration towards advancement of knowledge in the area of insolvency and bankruptcy on the basis of reciprocity, best effort and mutual benefit. The MoU covers “cooperation on capacity building”, which includes exploring opportunities for training and professional development including continuing professional education of the insolvency professionals, registered valuers and/or any other professionals regulated by IBBI. It also envisages “cooperation on research and publication”, which *includes undertaking research and publication initiative on core as well as related topics relevant to the Code in the form of journals, white papers, research papers on topics to be agreed upon in consultation with IBBI.*
3. In the meantime, the Governing Board, in its 12th Meeting held on 28th December, 2018 granted final approval to the IICA to launch the Graduate Insolvency Programme (GIP), given their readiness to do so by July, 2019. It also suggested that the IBBI may use its good offices to support IICA in delivery of GIP.
4. A proposal has been received by IBBI for setting up a Research Chair in IICA. In furtherance of the MoU between IBBI and IICA, to support IICA in delivery of GIP and generally to build capacity of the ecosystem, it is proposed to agree to the said proposal for a “Research Chair Project” in the form of an “IBBI Insolvency Chair” in IICA for a period of 3

years entailing a one-time endowment grant of one crore rupees by IBBI to IICA. [REDACTED]

5. The Working Group on GIP had recommended young and bright minds, who have completed a basic professional course such as company secretary, chartered accountancy, cost accountancy, or law, or a post-graduate with major in Economics, Finance, Commerce, Management or Insolvency with aggregate 50% marks, may be admitted into GIP. The IICA has, however, suggested [REDACTED] that B.E./B.Tech. may also be included as a permitted degree for admission to GIP considering the diverse career paths chosen by engineering graduates. They have made B.E./B.Tech. eligible for GIP in their admission announcement and have sought ratification by the IBBI. We may have no objection to the same.

6. As informed in the 12th meeting of the Governing Board, the IBBI had invited Expression of Interest (EOI), on 6th December 2018, from prospective eligible institutions for conducting the GIP. It was also informed that IBBI will make an assessment of suitability of the Institutions submitting EOI and bring it before the Governing Board for its consideration. In response to the EOI, IBBI has received six applications for conduct of the GIP. To assess these proposals a Committee has been set up comprising of external experts and internal members. The composition of this Committee is the same as the Limited Insolvency Examination Committee as the pass outs of GIP need to complete the Limited Insolvency Examination for registration as insolvency professionals. The Committee has commenced with its work. However, it is important to have guidelines in the interest of quality and standardisation on:

- (a) Eligibility norms, which the IBBI should consider, while considering an Institute for delivery of GIP; and
- (b) Minimum features of GIP, which the Institute must abide by, while delivering GIP.

7. As regards 6(a) above, an institute may be eligible for consideration for delivery of GIP if it meets the following requirements to the satisfaction of an IBBI Committee:

- a. Since GIP envisages an intensive residential classroom programme of 12 months, availability of appropriate residential facilities on campus is *sine qua non*. The

institution must have quality residential facility to accommodate at least 150 students at a time and quality guest house facilities for guest faculties.

- b. The institute hosting the programme should have high quality education infrastructure like classrooms, library, computer lab, research centers, journals, publications, and technology with scope for expansion in these facilities.
 - c. The institute should have a track record of delivering similar rigorous programmes (two-year post graduate programmes), short or long terms training or educational programme in the area of insolvency and bankruptcy, a student-centered pedagogy and development of curriculum that facilitates innovation and creating leaders in their relevant area of expertise.
 - d. The institute should have in place a certain minimum number of inhouse faculty on subjects which are core to GIP and demonstrate their ability to organise faculty resource in the areas covered by insolvency and bankruptcy and to arrange internship for students of GIP. The number of regular faculty in the area of insolvency and bankruptcy (not less than two to start with), and their track record of research and publication shall be an important consideration.
 - e. With an eye on all round development of the students, adequate recreational facilities should be available in the institute. The institute should host facilities, including medical facilities, banking facilities, access to public transport, cafeteria and others.
 - f. The hosting institute should ensure that no student is denied opportunity to pursue the programme for the want of adequate financial resources. The institute should be able to facilitate loan and or scholarships based on need and merit.
 - g. For the best prospects of its pass outs and rendering services to organisations and society, the institute should have a track record of placement of its students.
8. As regards 6(b) above, GIP framework shall be as under:
- a. The recommendations of the Working Group shall be adhered to the extent possible.
 - b. The GIP shall be a 24 months programme consisting of an intensive residential classroom component of 12 months (200 credits with 720 class hours) and a hands-on internship component at the cutting edge of the practice for 12 months (200 credits with 2160 work hours). A student will be assessed on 400 credits. Each credit at the classroom component shall have 40% weightage for continuous learning, 40% for term-end examination and 20% for assessment by Mentors. Innovative assessment

techniques, including assessment in groups and open book examination should be adopted. An assessment framework for assessing the performance of students as intern would be mutually worked out by the institute with the host institution.

- c. The residential component of 720 class hours shall comprise 120 class hours on personal development modules, 200 class hours on preparatory modules and 400 class hours on the specialisation modules. The programme shall be so designed that each class hour should require an additional three hours of outside classroom study by the student.

[Note: The Working Group on GIP has, while recommending the detailed content and structure of the programme recommended 720 credit hours for one year of classroom and 200 credits hours for one year of internship. However, the intent of the Group appears that one year of classroom should have same credits as one year of internship, since the time devoted for the two will be the same.]

- d. The classroom component (720 class hours) shall be delivered in three terms of 240 hours each. The preparatory modules shall be delivered entirely during Term 1, as they would then form the base for the imparting of the specialisation modules during Terms 2 and 3. Term 2 shall focus on the legal framework, the insolvency regime across the world, and introduction to the Code. In Term 3, the GIP students shall be exposed corporate and individual insolvency resolution and liquidation / bankruptcy. As the personality of students requires time to develop, personal development modules be spread over each of the three terms (40 classroom class hours in each term).
- e. The institute shall conduct / deliver a preparatory module for the students of GIP on each subject to bring students from different disciplines to the same wavelength. This is in addition to the 24 months programme.
- f. It is the responsibility of the institute to administer 12-month internship (48 week) with 2160 work hours. The institute must develop a structured approach for assessing the performance of the student on each credit of the internship component. The Internship component shall be in two phases with two different Insolvency Professionals. It shall cover:
- Multiple aspects of the Insolvency and Bankruptcy related activities
 - Training with multiple agencies – attachment to legal firms, banks / FIs, IBBI, NCLT, NCLAT

- The student should learn multi-tasking within a time-bound manner and furnish prescribed deliverables to the Mentor / Internship Guide
 - Credits should be awarded to the student for deliverables submitted.
- g. Candidates who have completed a basic professional course such as company secretary, chartered accountancy, cost accountancy, or law, or bachelors in technology or bachelors in electronics or a post-graduate with major in Economics, Finance, Commerce, Management or Insolvency with aggregate 50% marks, shall be eligible for admission into GIP.
 - h. The maximum age-limit for enrolment shall be 28 years.
 - i. A national written examination comprising of a mix of multiple-choice questions and also questions requiring written answers shall be used to shortlist candidates for group discussions and then a personal interview for selection of candidates for GIP.
 - j. The batch size shall be limited to 40 in initial years for effective learning, though the commercial viability of GIP should be balanced with exclusivity. Number of seats may be equitably allocated amongst candidates from diverse backgrounds, streams of professions and genders.
 - k. The fees for the course shall be determined by the Institute based on a feasible and sustainable model. It should be consistent with market practices and commensurate with the high quality of product delivered.
 - l. A student who successfully completes the programme shall be awarded a certificate which states that the GIP has been conducted by the Institute with the approval by the IBBI.
 - m. The institute shall endeavour to deliver the programme as an industry initiative requiring that at least 50% of the class room component is delivered by practioners.
 - n. The role of IBBI in the matter will be limited to granting approval to an institute fulfilling the requirements to conduct the GIP. It shall be the responsibility of the institute, so approved, to obtain necessary approvals for delivery of GIP. IBBI shall not be, either directly or indirectly, responsible for the manner in which the GIP is actually conducted by the recognised Institute.
 - o. The institute will be subject to such conditions as may be prescribed by IBBI from time to time, including any modifications in syllabus for the course.
9. The requirements specified in Para 7 and 8 may also apply to IICA.

10. Approval of the Governing Board is sought for the proposals made in Para 4, 5, 7, 8 and 9.