

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

Subject: Status Note on the Service Providers as on 28th February, 2018

A. Insolvency Professionals (IPs)

Since 31st December, 2016, individuals, who have the required qualification and experience and have passed the Limited Insolvency Examination, are being registered as IPs. As on 28th February, 2018, 1653 individuals are registered as IPs as under:

City / Region	The Indian Institute of Insolvency professional of ICAI	ICSI Insolvency Professionals Agency	Insolvency Professional Agency of Institute of Cost Accountants of India	Total
New Delhi	192	135	37	364
Rest of Northern Region	146	94	26	266
Mumbai	176	70	18	264
Rest of Western Region	142	66	16	224
Chennai	67	37	7	111
Rest of Southern Region	146	85	26	257
Kolkata	94	18	10	122
Rest of Eastern Region	33	8	4	45
All India	996	513	144	1653

2. An individual with ten years of experience as a member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Institute of Cost Accountants of India or a Bar Council or with 15 years of experience in management is eligible for registration as an IP on passing the Limited Insolvency Examination. The distribution of IPs as per their eligibility (an IP may be a member of more than one Institute) as on 28th February, 2018 is as under:

Eligibility	No. of IPs
Member of ICAI	903

Member of ICSI	339
Managerial Experience	186
Member of Bar Council	114
Member of ICAI (Cost)	111
Total	1653

B. Replacement of IRP with RP

3. Section 22(2) of the Code states that the Committee of Creditors (CoC) may in the first meeting, by a majority vote of not less than seventy-five percent of the voting share of the financial creditors, either resolve to appoint the IRP as the RP or to replace the IRP by another IP to function as the RP. Accordingly, till 28th February, 2018, 88 IRPs have been replaced with RPs as under:

Corporate Insolvency Resolution Process (CIRP) initiated by	No. of CIRPs where IRP is replaced by another IP as the RP
Corporate Applicant	35
Operational Creditor	27
Financial Creditor	26
Total	88

C. Recommendation for appointment as IRP/Liquidator

4. When a reference or direction is received from adjudicating authority (AA) for recommending / proposing the name of an IP to act as IRP/Liquidator of any CIRP/Liquidation Process per section 16(4) and 34(6) of the Code respectively, the IBBI has no information about the volume, nature and complexity of the CIRP or Liquidation Process and the resources available at the disposal of an IP. The IBBI believes that every IP is equally suitable, if otherwise not disqualified. Keeping this in view, the IBBI has issued Insolvency Professionals to act as Interim Resolution Professionals or Liquidators (Recommendation) Guidelines, 2017 on 15th December, 2017. As per the Guidelines, the IBBI prepares a panel of IPs for appointment as IRP or Liquidator and share the said Panel with the AA. The AA may pick up any name from the Panel for appointment of IRP or Liquidator for a CIRP or Liquidation process, as the case may be. The Panel has Bench wise list of IPs based on the registered office of the IP. It has a validity of six months and a new Panel will replace the earlier Panel every

six months. In this regard, the IBBI has provided the AA with a panel of IPs for the period of January-June, 2018.

5. This Panel has found acceptability of the AA. Hon'ble NCLT in the matter of Innovsource Private Limited vs. Getit Grocery Private Limited, [(IB)-295(PB)/2017] observed: *“The Insolvency and Bankruptcy Board of India vide its letter dated 01.01.2018 has recommended a panel of Insolvency Professionals for appointment as Insolvency Resolution Professional in compliance with Section 16(3) (a) of the Code in order to cut delay. The list of recommended Insolvency Professionals provides instant solution to the Adjudicating Authority to pick up the name and make appointment. It helps in meeting the time line given in the Code and the unnecessary time wasted firstly in asking the Insolvency and Bankruptcy Board of India to recommend the name and then appoint such Interim Resolution Professional by Adjudicating authority...”*. Further, Hon'ble National Company Law Appellate Tribunal in the matter of Sandeep Kumar Gupta, Resolution Professional Vs. Stewarts & Lloyds of India Ltd. & Anr. [Company Appeal (AT) (Insolvency) No. 263 of 2017] observed: *“ .. Further, the list of ‘Resolution Professionals’ being made available by the ‘Board’ to the Adjudicating Authorities, any person is appointed out of the said list submitted by the ‘Board’, it should be treated to be an appointment of ‘Resolution Professional’/‘Liquidator’ on the recommendation of the ‘Board’.”*

D. Insolvency Professional Entities

6. The Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 provide for recognition of Insolvency Professional Entities (IPEs). During the quarter October- December, 2017, 18 IPEs were recognized and since 1st January, 2018, 10 more IPEs have been recognized. As on 22nd February, 2018, there are 66 recognized IPEs.

E. Information Utilities

7. An Information Utility (IU) stores financial information that helps to establish defaults as well as verify claims expeditiously and thereby facilitates completion of transactions under the Code in a time bound manner. It constitutes a key pillar of the insolvency and bankruptcy ecosystem, the other three being the Adjudicating Authority, IBBI and Insolvency Professionals. IBBI registered National E-Governance Services Limited (NeSL) on 25th September, 2017 as first IU under the IBBI (Information Utilities) Regulations, 2017. This registration is valid for five years from the date of registration. NeSL has been promoted by

SBI, Canara Bank, Bank of Baroda and others. As on 19th February 2018, a total of 83 users have registered with NeSL, which comprises 33 Operational Creditors, 1 Financial Creditor, 3 Debtors and 46 Resolution Professionals.

F. Registered Valuers and Registered Valuers Organizations

8. MCA, vide a notification dated 18th October, 2017, brought into force section 247 of the Companies Act, 2013 relating to 'valuation by registered valuers'. It also notified the Companies (Registered Valuers and Valuation) Rules, 2017 vide another notification on the same date. Vide another notification dated 23rd October, 2017, MCA, in exercise of its powers under section 458 of the Companies Act, 2013, has delegated the power and functions vested with it under section 247 of the Companies Act, 2013 to IBBI. IBBI being the authority will be conducting valuation examination as provided for in the Rules. The syllabus, format and frequency of the valuation examination, including qualifying marks, have been finalized and uploaded on the website on/before 31st December, 2017 for all the three asset classes.

9. The following three Registered Valuers Organizations have been registered:

- i. Institution of Estate Managers and Appraisers (Asset Class: Land and Building)
- ii. IOV Registered Valuers Foundation (Asset Classes: Land and Building, Plant and Machinery, and Securities or Financial Assets), and
- iii. ICSI Registered Valuers Organisation (Asset classes: Land and Building, Plant and Machinery, and Securities or Financial Assets).

10. Further, rule 11 of the Companies (Registered Valuers and Valuation) Rules, 2011 provided for transitional arrangement to the existing valuers according to which any person who may be rendering valuation services under the Companies Act, 2013 on the date of commencement of these rules, may continue to render valuation services without a certificate of registration under these rules up to 31st March, 2018. However, vide notification dated 9th February, 2018 issued by the MCA, the period of transitional arrangement has been extended to 30th September, 2018.

G. Insolvency Professional Agencies

11. IPAs are front-line regulators for Insolvency Professionals. The IBBI is having monthly meetings with IPAs to discuss various issues. As on date, 3 IPAs are registered with the IBBI as under:

- a. Indian Institute of Insolvency Professionals of ICAI
- b. ICSI Insolvency Professionals Agency, and
- c. Insolvency Professional Agency of Institute of Cost Accountants of India.