



भारतीय विवाला और शोधन अक्षमता बोर्ड

Insolvency and Bankruptcy Board of India

75
Azadi Ka
Amrit Mahotsav

INFORMATION BROCHURE

Awareness Programme on Insolvency Profession



“Resolve@75”

Inspiring Young Indians
*in Nation Building Process
through Insolvency Legislation*

AZADI KA AMRIT MAHOTSAV

Azadi Ka Amrit Mahotsav (AKAM) is an initiative of the Government of India to celebrate and commemorate 75 years of progressive India and the glorious history of its people, culture and achievements.

AKAM was started on 12 March 2021 by Hon'ble Prime Minister Shri Narendra Modi on the completion of 91 years of Dandi March. This Mahotsav will continue till 15 August 2023. The aim of celebrating AKAM is to create a Vision for New India @ 100 years of Independence which it endeavours to achieve in the year 2047.

Azadi Ka Amrit Mahotsav is being celebrated on the basis of five pillars i.e. Struggle for independence, ideas of 75 years, achievements of 75 years, actions of 75 years and resolutions of 75 years with a view to motivate young generation to be aware of the achievements, actions, resolutions of the Country in 75 years so that it will inspire them to move forward and to realize the dreams of an independent India.

ROLE OF YOUTH IN NATION BUILDING

Youth represents the most dynamic section of our population. The hopes, dreams, aspirations, and actions of youth are going to shape the future of this nation. Their energy, determination and spirit is required to be harnessed for shaping the future of the vibrant and prosperous India.

Celebrating 'Azadi Ka Amrit Mahotsav,' the Insolvency and Bankruptcy Board of India (IBBI) in association with Insolvency Professional Agencies (IPAs) is organising **'Awareness Programme about Insolvency Profession with special reference to Graduate Insolvency Programme (GIP)'** to stimulate the youth of India to contribute to nation building process and be cognizant of key reforms being unleashed by the Government of India including the one about managing the insolvency space with speed and agility.

In relation to insolvency regime, the purpose of the programme is to create nation-wide awareness for public at large about remedies being made available in dealing with insolvencies particularly in respect of reorganization of distressed assets of Micro and Small-Scale Enterprises (MSMEs) in general. However, key focus is on emerging career opportunities for the youth as IP, with special reference to the GIP.

The events under the programme will be organised in 75 cities across the nation, during the period June 1 to 10, 2022

ABOUT INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

IBC consolidates the laws relating to insolvency of corporates and individuals into a single legislation. It facilitates time-bound resolution for persons in financial distress.

In case of **Corporate Insolvency**, it requires a defaulting corporate to undergo a time bound corporate insolvency resolution process (CIRP) wherein endeavour is to work out a resolution plan to rescue the corporate as a going concern. Upon failure of CIRP, it envisages liquidation of the CD to release the resources in market for better utilisation.

In case of **Individual Insolvency**, the Code provides for a defaulting individual to go through the insolvency resolution process with an endeavour to work out a repayment plan to rehabilitate the individual concerned. Upon failure of insolvency resolution process, the individual shall go through the bankruptcy process wherein the assets of the individual are sold to repay the defaults to the extent possible. However, this part of the Code has been only partially implemented.

ABOUT INSOLVENCY PROFESSION (IP)

An IP is a professional, regulated and registered by IBBI. IP is responsible for managing and overseeing the CIRP and/or the liquidation process of corporate, and the resolution and bankruptcy process for individuals.

IP IN CORPORATE INSOLVENCY

An IP may assume any of the following roles/ assignments under IBC, for insolvency and bankruptcy processes of Corporate Persons.

- Interim Resolution Professional (IRP) / Resolution Professional (RP) - to resolve insolvency of corporate debtor (CD).
- Liquidator - in the liquidation process of CD.

Key duties and responsibilities of an IP under CIRP include

- Making a public announcement.
- Inviting and collating information on asset, finances and operations of CD.

- Taking control and custody of assets of CD.
- Receiving and collating claims submitted by creditors.
- Constituting Committee of Creditors (CoC).
- Convening and attending all meetings of the CoC.
- Preparing an Information Memorandum.
- Inviting prospective resolution applicants.
- Presenting all resolution plans at the CoC meetings.
- Coordination between CoC and Adjudicating Authority (AA).

Key duties and responsibilities of an IP in Liquidation Process include.

- Inviting claims of creditors and claimants.
- Co-ordinating with various stakeholders and act in the best interest of all stakeholders
- Selling the immovable and movable property and actionable claims of the corporate debtor in liquidation.
- Holding the liquidation estate.
- Settling the claims of creditors and claimants and distribute proceeds.

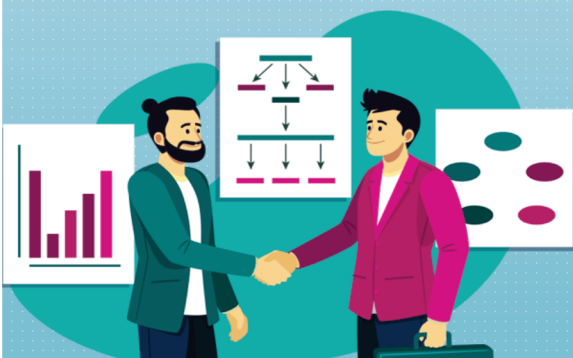
IP IN INDIVIDUAL INSOLVENCY

An IP may assume any of the following roles/ assignments under Individual Insolvency.

- Resolution Professional (RP) - to resolve insolvency of an individual.
- Bankruptcy Trustee (BT) - in the bankruptcy process of an individual.

Key duties and responsibilities of an IP under Individual Insolvency include.

- Examining application filed by the creditor/debtor and submitting a report to AA recommending for approval or rejection of the application seeking initiation of insolvency resolution process.



- Assisting debtor in preparing repayment plan for restructuring of his debts or affairs.
- Registering the claims of creditors, preparing list of creditors and conducting meeting of creditors.
- Submitting repayment plan along with his report to AA.
- Supervising the implementation of the repayment plan.
- Reporting to AA on completion /pre-mature ending of repayment plan and applying to AA for a discharge order.

Key duties and responsibilities of an IP under Bankruptcy Process include:

- Investigating the affairs of the bankrupt.
- Realising the estate of the bankrupt.
- Distribution of proceeds in accordance with priority provided under IBC.

REGULATORY FRAMEWORK OF IP

The Code provides for a two-tier regulatory structure comprising -

- Insolvency Professional Agencies (IPAs), being the front-line regulator, and
- Insolvency and Bankruptcy Board of India (IBBI), as the principal regulator.

About IPA - IPA enrolls and regulates its members practising as an IP. IPA is also responsible for capacity building of IPs to ensure that the IPs remain updated with the requisite skills and knowledge as per the market requirement. At present the following agencies are registered as an IPA with the IBBI, and you may approach any one of the following IPAs for enrolment:

- i. Indian Institute of Insolvency Professionals of ICAI [IIIP-ICAI].
- ii. ICSI Institute of Insolvency Professionals [ICSI-IIP].
- iii. Insolvency Professional Agency of Institute of Cost Accountants of India [IPA-ICAI].

About IBBI - Established as one of the key pillars of the institutional infrastructure of insolvency resolution process, IBBI is tasked to prepare the ecosystem and regulatory framework to enable effective implementation of IBC as well as nurturing of newly established class of service providers viz., IPs and IPAs through regulatory and developmental functions.

BECOMING AN IP

Mandatory Examination/Proficiency Courses

- o **Limited Insolvency Examination (LIE)** - This is an online (computer-based in a proctored environment) examination (duration 2 hours) with objective multiple-choice questions conducted by IBBI across India.
- o **Pre-Registration Educational Course (PREC)** - This is a 50-hour Course conducted by IPAs for enhancing the knowledge base, sharpen the management skills with efficiency in advocacy, code of conduct and handling insolvency & bankruptcy processes effectively.

Qualification and Experience

- o Professionals (Chartered Accountant, Company Secretary, Cost Accountant or an Advocate) having 10 (ten) years of experience, OR
- o Law graduates having 10 (ten) years of experience, OR
- o Master's Degree holders/two years full time Post-Graduate Diploma holders, in management, having 10 (ten) years of managerial experience, OR
- o Graduates having 15 (fifteen) years of experience in management, are eligible for registration as an IP upon clearing LIE and completing PREC, post enrolment with an IPA.

■ Requirement of Fit and Proper Person ■

Owing to the crucial responsibilities, which an IP discharges, and the huge trust reposed on him/her by the stakeholders, one of the distinct requirements of profession of an IP as compared to other professions in the country is that an IP, at all times, must be a fit and proper person so that the stakeholders have confidence in the insolvency regime and its practitioners

PRACTICING AS AN IP

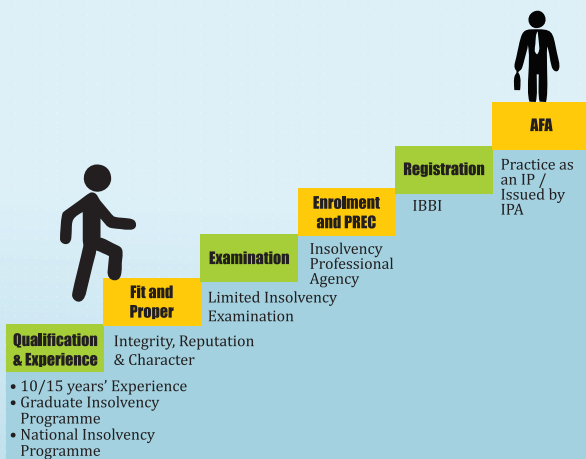
Authorisation for Assignment (AFA)

The law provide that every registered IP, if he wishes to accept or undertake any assignments under IBC, needs to have an AFA, and must get it renewed every year from his/her IPA subject to meeting certain requirements

These requirements include: has paid fees to IPA and the IBBI, is not in employment, has filed all required returns and made all required disclosures, remains a fit and

proper person, has undertaken continuing professional education (CPE), has no disciplinary proceeding pending against him, etc. AFA is valid for one year and IPs may seek renewal of the AFA before the date of expiry of AFA, but not earlier than 45 (forty-five) days before the date of expiry of AFA.

One of the greatest advantages of AFA is that it enables a person in employment to be registered as an IP (but he has to quit employment when he wishes to have an AFA).



GRADUATE INSOLVENCY PROGRAMME

The Graduate Insolvency Programme (GIP) is the first of its kind programme for those aspiring to take up the discipline of IP as a career or seeking to take up other roles in the value chain, in India and in foreign jurisdictions. Recognised by IBBI and curated by a group comprising eminent economists, insolvency, financial, legal and other experts, GIP is designed to provide exposure to real-time situations and on-ground training. GIP which is having duration of 24 months covers intensive residential classroom programme of 12 months and a hands-on internship programme at the cutting edge of the practice for 12 months.

It offers opportunities to work with leading IPs and other stakeholders providing the graduates the skill and experience that will help them to take their career to the next level and increase marketability to employers. A student who completes the GIP will be eligible for registration as insolvency professional under the Code, without having to wait to acquire the 10/15 years' experience as required by the Code at present.

IBBI has approved the GIP offered by the Indian Institute of Corporate Affairs (IICA). The first batch of GIP (2019-2021) conducted by IICA has successfully been completed and IBBI has granted 16 registrations based on this qualification at the end of March 2022.

Further, the IBBI has granted approval to one more institute i.e., the National Law Institute University (NLIU), Bhopal to conduct the GIP. Classes are likely to commence from July 1, 2022 onwards at NLIU, Bhopal.

LEAD PARTNERS FOR THE EVENT



Indian Institute of Insolvency Professionals of ICAI
(Company formed by ICAI as per Section 8 of the Companies Act 2013)

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INSTITUTE OF INSOLVENCY PROFESSIONALS

A wholly owned subsidiary of ICSI and registered with IBBI
(Formerly known as ICSI Insolvency Professionals Agency)

Mr. Nitin Satija, Assistant Director
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**Insolvency Professional Agency of
The Institute of Cost Accountants of India**
(Section 8 Company registered under the Companies Act 2013)

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