

## Insolvency and Bankruptcy Board of India

### Subject: Status Note on Service Providers

#### INSOLVENCY PROFESSIONALS

##### Registrations and AFAs

1. Individuals, who have the required qualification and experience, have passed the Limited Insolvency Examination, and completed Pre-registration Educational Course after being enrolled as a professional member of an Insolvency Professional Agency (IPA), are registered as Insolvency Professionals (IPs). An IP needs an Authorisation for Assignment (AFA) to take up an assignment under the Insolvency and Bankruptcy Code, 2016 (the Code) with effect from January 1, 2020. IBBI has made available an online facility to enable an IP to make an application for issuance / renewal of AFA to the respective IPA and enable the IPA to process such applications electronically.

2. Till January 31, 2022, 4011 IPs have been registered. Of them, registration of five IPs has been cancelled through disciplinary process, and registration of two IPs have been cancelled on failing to fulfil the required 'fit and proper person' status. As per information available, seventeen IPs have passed away. Thus, there are a total of 3987 IPs registered as on January 31, 2022. The registrations and cancellations of registration of IPs, quarter wise, till January 31, 2022 are presented in Table 1.

**Table 1: Registration and Cancellation of Registration of IPs** (Number)

| Year / Quarter          | Registered at the beginning of the period | Registered during the period | Cancelled during the period on account of |  |           | Registered at the end of the period |
|-------------------------|---|------------------------------|---|--|-----------|-------------------------------------|
|                         |   |                              | Disciplinary Process                      | Failing to fulfil the continuing requirement of 'fit and proper person' status | Death     |                                     |
| 2016 - 17 (Nov - Dec) # | 0   | 977                          | 0   | 0  | 0         | 977                                 |
| 2016 - 17 (Jan - Mar)   | 0   | 96                           | 0   | 0  | 0         | 96                                  |
| 2017 - 18               | 96  | 1716                         | 0   | 0  | 0         | 1812                                |
| 2018 - 19               | 1812                                      | 648                          | 4   | 0  | 0         | 2456                                |
| 2019 - 20               | 2456                                      | 554                          | 0   | 1  | 5         | 3004                                |
| 2020 - 21               | 3004                                      | 506                          | 0   | 1  | 5         | 3504                                |
| Apr-Jun, 2021           | 3504                                      | 169                          | 0   | 0  | 3         | 3670                                |
| July-Sept, 2021         | 3670                                      | 147                          | 0   | 0  | 1         | 3816                                |
| Oct-Dec, 2021           | 3816                                      | 135                          | 1   | 0  | 0         | 3950                                |
| *Jan-Mar, 2022          | 3950                                      | 40                           | 0   | 0  | 3         | 3987                                |
| <b>Total</b>            | <b>NA</b>                                 | <b>4011</b>                  | <b>5</b>                                  | <b>2</b>   | <b>17</b> | <b>3987</b>                         |

# Registration with validity of six months. These registrations expired by June 30, 2017.

\*As on January 31, 2022.

3. The region-wise details of IPs holding valid registration and AFAs, as on January 31, 2022 is presented in Table 2.

**Table 2: Registered IPs and AFAs as on January 31, 2022** (Number)

| City / Region           | Registered IPs |          |              |       | IPs having AFA# |          |              |       |
|-------------------------|----------------|----------|--------------|-------|-----------------|----------|--------------|-------|
|                         | IIP of ICAI    | ICSI IIP | IPA of ICMAI | Total | IIP of ICAI     | ICSI IIP | IPA of ICMAI | Total |
| New Delhi               | 448            | 270      | 88           | 806   | 285             | 182      | 57           | 524   |
| Rest of Northern Region | 473            | 206      | 70           | 749   | 296             | 131      | 39           | 466   |

|                         |             |             |            |             |             |            |            |             |
|-------------------------|-------------|-------------|------------|-------------|-------------|------------|------------|-------------|
| Mumbai                  | 405         | 148         | 38         | 591         | 241         | 92         | 27         | 360         |
| Rest of Western Region  | 332         | 124         | 44         | 500         | 220         | 82         | 26         | 328         |
| Chennai                 | 143         | 86          | 16         | 245         | 83          | 55         | 8          | 146         |
| Rest of Southern Region | 403         | 221         | 78         | 702         | 243         | 138        | 58         | 439         |
| Kolkata                 | 219         | 38          | 24         | 281         | 145         | 27         | 16         | 188         |
| Rest of Eastern Region  | 76          | 28          | 9          | 113         | 47          | 18         | 6          | 71          |
| <b>Total Registered</b> | <b>2499</b> | <b>1121</b> | <b>367</b> | <b>3987</b> | <b>1560</b> | <b>725</b> | <b>237</b> | <b>2522</b> |

# Excluding 445 AFAs which are expired / not renewed.

4. 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 ten years of experience in the field of law, after receiving a Bachelor's degree in law or ten years of experience in management, after receiving a Master's degree in Management or two-year full time Post Graduate Diploma in Management or fifteen years of experience in management, after receiving a Bachelor's degree is eligible for registration as an IP on passing the Limited Insolvency Examination. The Graduate Insolvency Programme (GIP) is the first of its kind programme for those aspiring to take up the profession of IP as careers without having to wait for acquiring the specified ten/fifteen years of experience. The first batch of GIP (2019-2021) conducted by Indian Institute of Corporate Affairs has successfully been completed and IBBI has granted 15 registrations based on this qualification, during this quarter. An IP may be a member of more than one Institute. Table 3 presents distribution of IPs as per their eligibility as on January 31, 2022. Of the total 3987 registered IPs as on January 31, 2022, 381 IPs (about 9% of the total registered IPs) are female.

**Table 3: Distribution of IPs as per their Eligibility as on January 31, 2022** (Number)

| Eligibility           | No. of IPs  |            |             |
|-----------------------|-------------|------------|-------------|
|                       | Male        | Female     | Total       |
| Member of ICAI        | 2006        | 190        | 2196        |
| Member of ICSI        | 571         | 118        | 689         |
| Managerial Experience | 615         | 25         | 640         |
| Member of Bar Council | 219         | 30         | 249         |
| Member of ICMAI       | 181         | 17         | 198         |
| GIP Qualified         | 14          | 1          | 15          |
| <b>Total</b>          | <b>3606</b> | <b>381</b> | <b>3987</b> |

5. The Regulations provide that an IP shall be eligible to obtain an AFA if he has not attained the age of 70 years. Table 4 presents the age profile of the IPs registered as on January 31, 2022.

**Table 4: Age Profile of IPs registered as on January 31, 2022** (Number)

| Age Group (in years) | Registered IPs |             |              |             | IPs having AFA# |            |              |             |
|----------------------|----------------|-------------|--------------|-------------|-----------------|------------|--------------|-------------|
|                      | IIP ICAI       | ICSI IIP    | IPA of ICMAI | Total       | IIP ICAI        | ICSI IIP   | IPA of ICMAI | Total       |
| ≤ 30                 | 6              | 7           | 0            | 13          | 4               | 2          | 0            | 6           |
| > 30 ≤ 40            | 275            | 77          | 15           | 367         | 176             | 56         | 8            | 240         |
| > 40 ≤ 50            | 892            | 385         | 56           | 1333        | 596             | 266        | 33           | 895         |
| > 50 ≤ 60            | 757            | 304         | 92           | 1153        | 473             | 209        | 56           | 738         |
| > 60 ≤ 70            | 525            | 308         | 187          | 1020        | 311             | 192        | 140          | 643         |
| > 70 ≤ 80            | 41             | 34          | 14           | 89          | NA              | NA         | NA           | NA          |
| > 80 ≤ 90            | 2              | 6           | 3            | 11          | NA              | NA         | NA           | NA          |
| > 90                 | 1              | 0           | 0            | 1           | NA              | NA         | NA           | NA          |
| <b>Total</b>         | <b>2499</b>    | <b>1121</b> | <b>367</b>   | <b>3987</b> | <b>1560</b>     | <b>725</b> | <b>237</b>   | <b>2522</b> |

# Excluding 445 AFAs which are expired / not renewed.

NA: Not Applicable.

## Panel of IPs

6. The Board is required under the Code to recommend name of an IP for appointment as IRP in a CIRP under section 16(4), liquidator in a liquidation process under section 34(6), RP in an individual insolvency resolution process under section 97(4) or 98(3), or bankruptcy trustee (BT) under section 125(4), 146(3) or 147(3) of the Code, on receiving a reference or direction from the AA. The Board has been making available panel of IPs to the AA for appointment as IRP, Liquidator, RP or BT, as the case may be, during a six-month period, such as January - June and July - December. Such panel in advance by the Board has been found useful and also acceptable to the AA, as it cuts down on inefficiency and delay. It issues Guidelines to govern preparation of panel.

7. On December 1, 2021, the Board has issued ‘Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) (Second) Guidelines, 2021’. Pursuant to the same, it invited expression of interest from IPs for inclusion in the panel for January 1, 2022 to June 30, 2022. Accordingly, the Board has prepared and shared with the AA, on December 30, 2021, a panel of 888 IPs (who hold AFAs) valid for appointments for the period January 1, 2022 to June 30, 2022. Table 5 presents zone-wise number of IPs empaneled for January 1, 2022 to June 30, 2022.

**Table 5: Zone-wise IPs in the Panel**

| Zone             | Areas Covered                             | No. of IPs |
|------------------|---|------------|
| New Delhi        | Union Territory of Delhi                  | 193        |
| Ahmedabad        | State of Gujarat                          | 54         |
|                  | Union Territory of Dadra and Nagar Haveli |            |
|                  | Union Territory of Daman and Diu          |            |
| Allahabad        | State of Uttar Pradesh                    | 45         |
|                  | State of Uttarakhand                      |            |
| Amravati         | State of Andhra Pradesh                   | 13         |
| Bengaluru        | State of Karnataka                        | 30         |
| Chandigarh       | State of Himachal Pradesh                 | 98         |
|                  | State of Punjab                           |            |
|                  | State of Haryana                          |            |
|                  | Union Territory of Chandigarh             |            |
|                  | Union Territory of Jammu and Kashmir      |            |
| Cuttack          | State of Chhattisgarh                     | 17         |
|                  | State of Odisha                           |            |
| Chennai          | State of Tamil Nadu                       | 85         |
|                  | Union Territory of Puducherry             |            |
| Guwahati         | State of Arunachal Pradesh                | 3          |
|                  | State of Assam                            |            |
|                  | State of Manipur                          |            |
|                  | State of Mizoram                          |            |
|                  | State of Meghalaya                        |            |
|                  | State of Nagaland                         |            |
|                  | State of Sikkim                           |            |
| State of Tripura |   |            |
| Hyderabad        | State of Telangana                        | 83         |
| Indore           | State of Madhya Pradesh                   | 17         |
| Jaipur           | State of Rajasthan                        | 23         |
| Kochi            | State of Kerala                           | 22         |
|                  | Union Territory of Lakshadweep            |            |
| Kolkata          | State of Bihar                            | 90         |
|                  | State of Jharkhand                        |            |
|                  | State of West Bengal                      |            |

|              |  |            |
|--------------|--|------------|
|              | Union Territory of Andaman and Nicobar Islands |            |
| Mumbai       | State of Goa                                   | 115        |
|              | State of Maharashtra                           |            |
| <b>Total</b> |  | <b>888</b> |

### **Panel of IPs for appointment of IPs as Administrators.**

8. The SEBI (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018 provide for appointment of IPs as Administrators for the purposes specified therein. Since April, 2019, the IBBI, in consultation with SEBI, has been issuing guidelines and preparing zone-wise panel of IPs for appointments as Administrators every six months and sharing the same with the SEBI in advance, in accordance with the Guidelines. It has prepared and shared five such panels under various guidelines issued from time-to-time, the last panel being prepared and shared with SEBI on March 30, 2021, valid for the period April, 2021 to September, 2021. Thereafter, SEBI has informed discontinuation of appointment of administrators / empanelment of new administrator, under its Regulations.

### **Replacement of IRP with RP**

9. Section 22(2) of the Code provides that the committee of creditors (CoC) may, in its first meeting, by a majority vote of not less than 66% of the voting share of the financial creditors (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 the IPs registered with IBBI has been shared with the AA, disclosing whether any disciplinary proceeding is pending against them and the status of their AFAs. 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 January 31, 2022, a total of 1101 IRPs has been replaced with RPs, as detailed in Table 6.

**Table 6: Replacement of IRP with RP as on January 31, 2022**

| CIRP initiated by    | No. of CIRPs                  |                                    |
|----------------------|-------------------------------|------------------------------------|
|                      | Where RPs have been appointed | Where RP is different from the IRP |
| Corporate Applicant  | 280                           | 114                                |
| Operational Creditor | 1807                          | 601                                |
| Financial Creditor   | 1848                          | 386                                |
| <b>Total</b>         | <b>3935</b>                   | <b>1101</b>                        |

### **Capacity Building of IPs**

10. The Board has been organising basic workshops for newly registered IPs with a view to build and augment their existing capacity. Of late, on account of the prevailing Covid-19 pandemic, such workshops are being organized in virtual mode, for effective delivery of education. Till January 31, 2022 the Board has organised 29 such workshops. IBBI is also encouraging and assisting IPAs to organise similar workshops and webinars for the benefit of IPs. With a view to further enhance the expertise of IPs in select niche areas, IBBI has also conducted a series of Advanced Workshops for such of the IPs who have already attended the Basic IP Workshop. So far, 14 Advanced Workshops have been organized, covering variety of

topics including, Avoidance Transactions, Valuation, Sale as Going Concern during Liquidation and Analysis of Financial Statements.

11. Apart from the basic and advanced Workshops, IBBI also organises periodic workshops for IPs on various new developments in the ecosystem. On account of inability to conduct learning activities involving physical presence of participants due to the ongoing COVID-19 pandemic, IBBI has organised capacity building programmes through appropriate webinars and live discussion with experts, in addition to Workshops.

12. The details of capacity building programmes for IPs, conducted by the Board, are given in Table 7.

**Table 7: Capacity Building Programmes for IPs till 31<sup>st</sup> Jan, 2022**

| <b>Year / Period</b> | <b>Basic Workshops</b> | <b>Advanced Workshops</b> | <b>Other Workshops</b> | <b>Webinars</b> | <b>Roundtables</b> | <b>Trainings</b> | <b>Total</b> |
|----------------------|------------------------|---------------------------|------------------------|-----------------|--------------------|------------------|--------------|
| 2016 - 17            | 1                      | -                         | -                      | -               | 8                  | -                | 9            |
| 2017 - 18            | 6                      | -                         | -                      | -               | 44                 | -                | 50           |
| 2018 - 19            | 7                      | -                         | -                      | -               | 22                 | -                | 29           |
| 2019 - 20            | 4                      | 6                         | 5                      | 1               | 22                 | -                | 38           |
| 2020 - 21            | 1                      | 2                         | 6                      | 29              | 18                 | 2                | 58           |
| Apr - Jun, 2021      | 3                      | 3                         | -                      | 9               | -                  | -                | 15           |
| Jul - Sep, 2021      | 1                      | 1                         | -                      | 6               | 9                  | -                | 17           |
| Oct-Dec, 2021        | 1                      | 1                         | -                      | 3               | 1                  | 2                | 8            |
| Jan, 2022            | 1                      | 1                         | -                      | -               | -                  | -                | 2            |
| <b>Total</b>         | <b>25</b>              | <b>14</b>                 | <b>11</b>              | <b>48</b>       | <b>124</b>         | <b>4</b>         | <b>226</b>   |

### **Fee payable by IPs**

13. Regulation 7(2)(ca) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 [IP Regulations] provide for payment of fee to the Board calculated at the rate of 0.25 per cent of the professional fee earned for the services rendered by the IP as an insolvency professional in the preceding financial year (FY), on or before the April 30, every year, along with a statement in Form E. IP is required to submit Form E, through a dedicated electronic platform, even in cases where no professional fee is earned by him during the preceding financial year. Pursuant to the COVID-19 situation, due date for making compliance for FY 2019-20 was extended till June 30, 2020. Similarly, the due date for making compliance for FY 2020-21 was extended till June 30, 2021.

14. There was a challenge to this provision alleging violative of Article 14, 19 and 21 of the Constitution. The High Court of Chennai dismissed the petition and concluded that the IBBI is duly empowered under Sections 196 and 207 of the Code to levy a fee on IPs, including as a percentage of the annual remuneration as an IP in the preceding financial year.

### **For FY-2018-19**

15. Out of 2460 IPs liable to pay fee for 2018-19, 2426 IPs have submitted Form E through the dedicated electronic platform till January 31, 2022 while the Board is following up with remaining 34 IPs for submission of Form E. The list has also been shared with IPAs so as to ensure that no AFA is issued by the IPA to any non-compliant IP and IPAs to ensure compliance

by their respective professional members. Out of 2426 IPs, who have submitted Form E, through the dedicated electronic platform, 1534 IPs have disclosed 'Nil' income / no assignments handled during FY 2018-19, while remaining 892 IPs have provided the details of assignments handled during FY 2018-19 and have also made the payment calculated at the rate of 0.25 per cent of the accrued professional fee to IBBI.

#### ***For FY-2019-20***

16. Out of 3010 IPs liable to pay fee for 2019-20, 2826 IPs have submitted Form E through the dedicated electronic platform till January 31, 2022 while the Board is following up with remaining 184 IPs for submission of Form E. The list has also been shared with IPAs so as to ensure that no AFA is issued by the IPA to any non-compliant IP and IPAs to ensure compliance by their respective professional members. Of these 2826 IPs, who have submitted Form E, through the dedicated electronic platform, 1495 IPs have disclosed 'Nil' income / no assignments handled during FY 2019-20, while remaining 1331 IPs have provided the details of assignments handled during FY 2019-20 and have also made the payment calculated at the rate of 0.25 per cent of the accrued professional fee to IBBI.

#### ***For FY-2020-21***

17. Out of 3506 IPs liable to pay fee for 2020-21, 2969 IPs have submitted Form E through the dedicated electronic platform till January 31, 2022 while the Board is following up with remaining 537 IPs for submission of Form E. The list has also been shared with IPAs so as to ensure that no AFA is issued by the IPA to any non-compliant IP and IPAs to ensure compliance by their respective professional members. The Board is also monitoring the compliance and addressing the queries of IPs received in this connection from time to time. Of these 2969 IPs, who have submitted Form E, through the dedicated electronic platform, 1792 IPs have disclosed 'Nil' income / no assignments handled during FY 2020-21, while remaining 1177 IPs have provided the details of assignments handled during FY 2020-21 and have also made the payment calculated at the rate of 0.25 per cent of the accrued professional fee to IBBI.

18. Table 8 presents a summary of Form E compliance made by IPs for 2018-19, 2019-2020 and 2020-21 with status as on January 31, 2022.

**Table 8: Form E compliance by IPs for 2018-19, 2019-20 and 2020-21, as on January 31, 2022**

| <b>Particulars</b>  | <b>2018-19</b>   | <b>2019-20</b>   | <b>2020-21</b>   |
|---|------------------|------------------|------------------|
| A. Number of IPs liable to pay fee                              | 2460             | 3010             | 3506             |
| <i>Of Which</i>   |                  |                  |                  |
| B. Number of IPs <u>not</u> submitted Form E                    | 34               | 184              | 537              |
| C. Number of IPs submitted Form E                               | 2426             | 2826             | 2969             |
| <i>Of Which</i>   |                  |                  |                  |
| C1. Number of IPs reporting 'Nil' income or 'No' Assignments    | 1534             | 1495             | 1792             |
| C2. Number of IPs provided details of assignments and paid fees | 892              | 1331             | 1177             |
| <i>Of Which</i>   |                  |                  |                  |
| C2(a). Amount (in Rs.) of Fee as per regulation 7(2)(ca)        | 53,82,097        | 84,50,251        | 80,02,531        |
| C2(b). Amount (in Rs.) of Interest as per regulation 15         | 10,757           | 3,563            | 13,163           |
| C2(c). Amount (in Rs.) of GST @18%                              | 9,70,714         | 15,21,687        | 14,42,825        |
| C2(d). Total Amount (in Rs) [C2(a) to C2(c)]*                   | <b>63,63,568</b> | <b>99,75,500</b> | <b>94,58,518</b> |

\*including an amount of Rs. 51,620 for FY 2018-19, Rs. 1,55,298 for FY 2019-20 and Rs. 66,168 for FY 2020-21 paid offline.

## **Continuing Professional Education**

19. The Board issued Insolvency and Bankruptcy Board of India (Continuing Professional Education for Insolvency Professionals) Guidelines, 2019 (CPE Guidelines), in exercise of the powers under Section 196(1)(aa) of the Code read with regulation 7(2)(ba) of IP Regulations. The same came into force with effect from January 1, 2020. It is a planned and systematic attempt to introduce, review, or alter the competencies and thereby improve the performance of professionals. It meets post-registration professional development needs of IP. The guidelines mandate every IP to undertake a minimum of 10 credit hours of CPE each calendar year and a minimum of 60 credit hours of CPE in each rolling block of three calendar years. As per the guidelines, the respective IPA shall monitor and maintain records of CPE in respect of its professional members in a manner accessible to IPs and the Board. The IPAs are also required to submit an exception report *every quarter* to the Board. In view of COVID-19, online delivery of CPE has been allowed. Details of CPE hours undertaken by IPs are presented in Table 9.

**Table 9: CPEs Hours undertaken by IPs**

| Period                          | Number of CPE Hours earned by members of |              |              |              |
|---------------------------------|--|--------------|--------------|--------------|
|                                 | IIPI                                     | ICSI IIP     | IPA ICAI     | Total        |
| 2019 - 20                       | 1160                                     | 695          | 320          | 2175         |
| 2020 - 21                       | 18465                                    | 8746         | 4647         | 31858        |
| Apr - Jun, 2021                 | 5510                                     | 2100         | 971          | 8581         |
| Jul - Sep, 2021                 | 1910                                     | 1314         | 780          | 4004         |
| Sep - Dec, 2021                 | 3354                                     | 3191         | 1104         | 7649         |
| <b>Total</b>                    | <b>30399</b>                             | <b>16046</b> | <b>7822</b>  | <b>54267</b> |
| <b>Average CPE hours per IP</b> | <b>12.28</b>                             | <b>14.46</b> | <b>21.49</b> | <b>13.74</b> |

20. 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-year 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 at IICA had begun on July 1, 2019 and successfully completed the course in 2021. The second batch has completed the first year of the course and proceeded with internships with various organizations in the insolvency space. The third batch of GIP at IICA commenced classes from July 19, 2021 onwards. Further, the IBBI has granted approval to one more institute i.e., the National Law Institute University, Bhopal to conduct the GIP. Classes are likely to commence from July 1, 2022 onwards at NLIU, Bhopal.

## INSOLVENCY PROFESSIONAL ENTITIES (IPEs)

21. Regulations 12 to 14 of the IP Regulations provide for recognition, continued compliance and derecognition of an Insolvency Professional Entities (IPEs). An IPE provides support services to insolvency professionals who are its partners or directors (It has been allowed to provide support services to any insolvency professional with effect from July 1, 2020). Till January 31, 2022, 134 IPEs have been granted recognition, of which 45 have been derecognized, thus, active recognized IPEs being at 89. Table 10 presents quarter wise trend of IPE recognitions and derecognitions till January 31, 2022.

**Table 10: IPEs as on January 31, 2022**

| Year / Quarter | Recognised at the beginning of the period | Recognised during the period | Derecognised during the period | Recognised at the end of the period |
|----------------|---|------------------------------|--------------------------------|-------------------------------------|
| 2016-17        | 0   | 3                            | 0                              | 3                                   |
| 2017-18        | 3   | 73                           | 1                              | 75                                  |
| 2018-19        | 75  | 13                           | 40                             | 48                                  |
| 2019-20        | 48  | 23                           | 2                              | 69                                  |
| 2020-21        | 69  | 14                           | 0                              | 83                                  |
| Apr-Jun, 2021  | 83  | 1                            | 0                              | 84                                  |
| Jul-Sep, 2021  | 84  | 4                            | 2                              | 86                                  |
| Oct-Dec, 2021  | 86  | 2                            | 0                              | 88                                  |
| *Jan-Mar, 2022 | 88  | 1                            | 0                              | 89                                  |
| <b>Total</b>   | <b>NA</b>                                 | <b>134</b>                   | <b>45</b>                      | <b>89</b>                           |

\*As on January 31, 2022

22. There have been significantly higher number of derecognitions during October 2018 - March 2019 as many existing IPEs failed to comply with the requirements specified in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2018.

### Annual Compliance by IPEs

23. The Board amended the IP Regulations on October 25, 2019, which introduced an annual compliance certificate by an IPE to strengthen monitoring. This requires IPEs to submit to the Board, by October 15 every year, a compliance certificate in Form H, for the preceding financial year. Every IPE has complied with this requirement for financial year 2018-19.

24. All 69 IPEs that are required to submit Form H for financial year 2019-20 have submitted Form H till January 31, 2022 and same have since been examined. Form H filed by 67 IPEs is found to be in order and specific queries have been issued to remaining IPEs. Reply submitted to the queries is being examined and follow up emails are being issued wherever response is awaited, or further clarifications are required from the IPE.

25. The due date of filing Form H compliance for financial year 2020-21 was October 15, 2021. Till January 31, 2022, out of 81 IPEs that are required to submit Form H for financial year 2020-21, 79 IPEs have submitted Form H which are being examined and follow up is being made with the remaining 2 IPEs.

### Fee payable by IPEs



26. Regulation 13(2)(ca) of the IP Regulations provides for payment of fee to the Board calculated at the rate of 0.25 per cent of the turnover from the services rendered by an IPE in the preceding financial year, on or before April 30, every year, along with a statement in Form G. All derecognized IPEs are required to submit the Form G, through dedicated electronic platform, even in cases where it does not have turnover during the preceding financial year. Pursuant to the COVID-19 situation, due date for making compliance for FY 2019-20 was extended till June 30, 2020. Similarly, the due date for making compliance for FY 2020-21 was extended till June 30, 2021.

***For FY 2018-19***

27. Of the 88 IPEs liable to pay fee for 2018-19, 73 IPEs have submitted Form G through the dedicated electronic platform as on January 31, 2022. Out of these, 28 IPEs have indicated 'Nil' turnover during 2018-19, while remaining 45 IPEs have provided details of turnover during 2018-19 and have also made the payment calculated at the rate of 0.25 percent of the turnover. Remaining 15 IPEs are yet to submit Form G. These 15 IPEs were derecognized during 2018-19 and the Board is following up with these IPEs and also IPs associated with them for submission of Form G.

***For FY-2019-20***

28. Of the 71 IPEs liable to pay fee for 2019-20, all IPEs have submitted Form G through the dedicated electronic platform as on January 31, 2022. Out of these, 14 IPEs have indicated 'Nil' turnover during 2019-20, while remaining 57 IPEs have provided details of turnover during 2019-20 and have also made the payment calculated at the rate of 0.25 percent of the turnover.

***For FY-2020-21***

29. Of the 83 IPEs liable to pay fee for 2020-21, 79 IPEs have submitted Form G through the dedicated electronic platform as on January 31, 2022. Out of these 79 IPEs who have submitted Form G, through the dedicated electronic platform, 20 IPEs have indicated 'Nil' turnover during 2019-20, while remaining 59 IPEs have provided details of turnover during 2019-20 and have also made the payment calculated at the rate of 0.25 percent of the turnover. Remaining 4 IPEs are yet to submit Form G. The Board is following up with these 4 IPEs and also IPs associated with them for submission of Form G.

30. Table 11 presents a summary of Form G compliance by IPEs for 2018-19, 2019-2020 and 2020-2021 with status as on January 31, 2022.

**Table 11: Form G compliance by IPEs for 2018-19, 2019-20 and 2020-21, as on January 31, 2022**

| <b>Particulars</b>   | <b>2018-19</b> | <b>2019-20</b> | <b>2020-21</b> |
|--|----------------|----------------|----------------|
| A. Number of IPEs liable to pay fee                              | 88             | 71             | 83             |
| <i>Of Which</i>  |                |                |                |
| B. Number of IPEs <u>not</u> submitted Form G                    | 15             | -              | 4              |
| C. Number of IPEs submitted Form G                               | 73             | 71             | 79             |
| <i>Of Which</i>  |                |                |                |
| C1. Number of IPEs reporting 'Nil' income or 'No' Assignments    | 28             | 14             | 20             |
| C2. Number of IPEs provided details of assignments and paid fees | 45             | 57             | 59             |
| <i>Of Which</i>  |                |                |                |
| C2(a). Amount (in Rs) of Fee as per regulation 13(2)(ca)         | 33,37,734      | 29,87,108      | 30,65,218      |
| C2(b). Amount (in Rs) of Interest as per regulation 15           | 64,644         | 13,898         | 201            |

|   |                  |                  |                  |
|---|------------------|------------------|------------------|
| C2©. Amount (in Rs) of GST @18%               | 6,12,428         | 5,40,181         | 5,51,775         |
| C2(d). Total Amount (in Rs) [C2(a) to C2(c)]* | <b>40,14,806</b> | <b>35,41,187</b> | <b>36,17,195</b> |

\*including fee of Rs. 31,357/- for FY 2018-19, Rs. 3,84,337/- for FY 2019-20 and Rs. 1,27,004/- paid offline

## INSOLVENCY PROFESSIONAL AGENCIES

31. IPAs are front-line regulators for IPs. There are three IPAs. Table 12 presents the details of their activities.

**Table 12: Activities by IPAs**

| Period         | Number of                          |                          |                            |  |                            |                                       |
|----------------|------------------------------------|--------------------------|----------------------------|--|----------------------------|---------------------------------------|
|                | Pre-registration Courses conducted | CPE Programmes conducted | Training Workshops for IPs | Other Workshops/ Webinars/ Roundtables/ seminars | Disciplinary Orders Issued | Complaints forwarded by IBBI disposed |
| 2018-19        | 16                                 | -                        | 07                         | 100  | 04                         | 11                                    |
| 2019-20        | 11                                 | 30                       | 09                         | 157  | 09                         | 127                                   |
| 2020-21        | 24                                 | 182                      | 67                         | 99   | 43                         | 102                                   |
| Apr-Jun, 2021  | 08                                 | 23                       | 01                         | 13   | 04                         | 00                                    |
| Jul-Sep, 2021  | 03                                 | 25                       | 12                         | 21   | 04                         | 05                                    |
| Oct-Dec, 2021  | 04                                 | 36                       | 24                         | 21   | 07                         | NIL                                   |
| *Jan-Mar, 2022 | 01                                 | 14                       | 09                         | 07   | 05                         | NIL                                   |

\*As on 31<sup>st</sup> January 2022

## INFORMATION UTILITIES

32. An 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. National E-Governance Services Limited (NeSL), promoted by SBI, Canara Bank, Bank of Baroda and others, was registered as an Information Utilities (IU) by IBBI on September 25, 2017. Table 13 presents the details of information held by NeSL as on January 31, 2022.

**Table 13: Details of information with NeSL**

(Number, except as stated)

| At the end of Year / Month | Creditors having agreement with NeSL |     | Creditors who have submitted information |     | Debtors whose information is submitted by |      | Loan records on-boarded by |        | Amount of underlying debt<br>(₹ crore) |             | User registrations | Loan records authenticated by debtors |                    | No. of Defaults authenticated by debtors |
|----------------------------|--------------------------------------|-----|--|-----|---|------|----------------------------|--------|--|-------------|--------------------|---------------------------------------|--------------------|--|
|                            | FCs                                  | OCs | FCs                                      | OCs | FCs                                       | OCs  | FCs                        | OCs    | Financial                              | Operational | No. of Debtors     | No. of Records                        | Value<br>(₹ crore) |  |
| 2018 - 19                  | 173                                  | NA  | 114                                      | 169 | 1266445                                   | 230  | 1955230                    | 316    | 4114988                                | 16224       | 15148              | 13799                                 | 48428              | 54                                       |
| Jun, 2019                  | 209                                  | NA  | 160                                      | 231 | 2531930                                   | 570  | 3911146                    | 52766  | 4910552                                | 20455       | 23565              | 22363                                 | 73706              | 374                                      |
| Sep, 2019                  | 226                                  | NA  | 218                                      | 297 | 2737049                                   | 1764 | 4421280                    | 86766  | 5625318                                | 28016       | 32177              | 35621                                 | 83686              | 586                                      |
| Dec, 2019                  | 246                                  | NA  | 321                                      | 408 | 2926030                                   | 2121 | 4803931                    | 125526 | 6919463                                | 32038       | 48551              | 68766                                 | 93852              | 82,824                                   |
| Mar, 2020                  | 267                                  | NA  | 381                                      | 543 | 6551739                                   | 6191 | 9417317                    | 167719 | 7873689                                | 31910       | 73332              | 109726                                | 118428             | 2,40,075                                 |
| Jun, 2020                  | 269                                  | NA  | 456                                      | 574 | 7464854                                   | 8336 | 10721829                   | 204568 | 9855538                                | 33151       | 106840             | 149533                                | 299294             | 3,38,585                                 |
| Sep, 2020                  | 276                                  | NA  | 548                                      | 635 | 8228576                                   | 8979 | 12126772                   | 206957 | 12299081                               | 34374       | 120896             | 186091                                | 373678             | 4,27,226                                 |
| Dec, 2020                  | 284                                  | NA  | 587                                      | 654 | 8572919                                   | 9024 | 13666166                   | 253955 | 12875496                               | 35803       | 129839             | 215015                                | 451935             | 4,35,774                                 |
| Mar, 2021                  | 289                                  | NA  | 621                                      | 675 | 8988348                                   | 9066 | 14565545                   | 292206 | 13195075                               | 36770       | 139908             | 283839                                | 499957             | 4,42,584                                 |
| Jun, 2021                  | 293                                  | NA  | 664                                      | 703 | 9503546                                   | 9358 | 15606182                   | 292544 | 13739606                               | 40086       | 153103             | 346752                                | 486540             | 4,47,972                                 |

|            |     |    |     |     |         |      |          |        |          |       |        |        |        |          |
|------------|-----|----|-----|-----|---------|------|----------|--------|----------|-------|--------|--------|--------|----------|
| Sep, 2021  | 304 | NA | 673 | 743 | 7879779 | 5833 | 12051173 | 89816  | 13659037 | 36766 | 168717 | 407831 | 579200 | 2,72,284 |
| Dec, 2021  | 304 | NA | 685 | 762 | 8562267 | 5714 | 12695004 | 144466 | 14186403 | 42258 | 196993 | 462263 | 690028 | 3,15,076 |
| *Mar, 2022 | 304 | NA | 680 | 770 | 8724973 | 5527 | 13164594 | 144266 | 14321760 | 41211 | 203184 | 477216 | 673191 | 3,09,222 |

NA: Not Available

\*As on January 31, 2022

## REGISTERED VALUERS ORGANISATIONS

33. The Registered Valuers Organizations are frontline regulators for registered valuers. They provide the institutional arrangement for oversight, including the development and regulation of the registered valuers. They grant membership to valuers, who comply with the eligibility requirements as provided in the Rules, conduct the educational course in valuation and provide the training for their members. As on January 31, 2022, sixteen RVOs have been recognized by the Board. As provided in the Rules, the RVOs conduct 50 hours education course. Table 14 presents details of such courses conducted by RVOs till January 31, 2022.

**Table 14: Educational Courses conducted by RVOs**

| Asset Class                    | No. of Courses | No. of Members |
|--------------------------------|----------------|----------------|
| Land and Building              | 482            | 8446           |
| Plant and Machinery            | 273            | 1690           |
| Securities or Financial Assets | 434            | 7673           |
| <b>Total</b>                   | <b>1189</b>    | <b>17809</b>   |

34. RVs are permitted to form an entity (Partnership / Company) for rendering valuation services. There are 58 such entities registered as RVs as on January 31, 2022, as presented in Table 15.

**Table 15: Registered Valuers Entities as on January 31, 2022**

(Number)

| Registered Valuer Organisation                | Number of Entities | Asset Class     |                   |                                |
|---|--------------------|-----------------|-------------------|--------------------------------|
|   |                    | Land & Building | Plant & Machinery | Securities or Financial Assets |
| RVO Estate Managers and Appraisers Foundation | 3                  | 3               | 2                 | 2                              |
| IOV Registered Valuers Foundation             | 21                 | 16              | 14                | 18                             |
| ICSI Registered Valuers Organisation          | 2                  | 0               | 0                 | 2                              |
| IIV India Registered Valuers Foundation       | 2                  | 2               | 2                 | 1                              |
| ICMAI Registered Valuers Organisation         | 11                 | 4               | 5                 | 11                             |
| ICAI Registered Valuers Organisation          | 12                 | 0               | 0                 | 12                             |
| PVAI Valuation Professional Organisation      | 2                  | 2               | 2                 | 2                              |
| CVSRTA Registered Valuers Association         | 1                  | 1               | 1                 | 0                              |
| CEV Integral Appraisers Foundation            | 1                  | 1               | 1                 | 0                              |
| Divya Jyoti Foundation                        | 2                  | 1               | 1                 | 2                              |
| All India Institute of Valuers Foundation     | 1                  | 1               | 1                 | 1                              |
| <b>Total</b>                                  | <b>58</b>          | <b>31</b>       | <b>29</b>         | <b>51</b>                      |

35. The registration of RVs, quarter-wise, till January 31, 2022 is given in Table 16.

**Table 16: Registration of Valuers till January 31, 2022**

(Number)

| Quarter | Land & Building | Plant & Machinery | Securities or Financial Assets | Total | Cumulative Total |
|---------|-----------------|-------------------|--------------------------------|-------|------------------|
|---------|-----------------|-------------------|--------------------------------|-------|------------------|

|               |             |            |             |             |          |
|---------------|-------------|------------|-------------|-------------|----------|
| 2017 – 2018   | 0           | 0          | 0           | 0           | 0        |
| 2018 – 2019   | 781         | 121        | 284         | 1186        | 1186     |
| 2019 – 2020   | 848         | 204        | 792         | 1844        | 3030     |
| 2020 – 2021   | 409         | 82         | 446         | 937         | 3967     |
| Apr-Jun, 2021 | 95          | 25         | 86          | 206         | 4173     |
| Jul-Sep, 2021 | 84          | 19         | 91          | 194         | 4367     |
| Oct-Dec, 2021 | 77          | 14         | 83          | 174         | 4541     |
| Jan, 2022     | 13          | 5          | 13          | 31          | 4572     |
| <b>Total</b>  | <b>2307</b> | <b>470</b> | <b>1795</b> | <b>4572</b> | <b>-</b> |

Note: Registration of one RV was cancelled with effective from Feb 2021.

36. Of the valuers registered as on January 31, 2022, 1197 RVs (constituting approx. 26% of the total RVs) are from metros while 3374 RVs (constituting approx. 74% of the total RVs) are from non-metro locations. Geographical distribution of RVs, as on January 31, 2022, is presented in Table 17.

**Table 17: Region wise Registered Valuers as on January 31, 2022**

| City / Region           | Land & Building | Plant & Machinery | Securities or Financial Assets | Total       |
|-------------------------|-----------------|-------------------|--------------------------------|-------------|
| New Delhi               | 78              | 34                | 212                            | 324         |
| Rest of Northern Region | 361             | 73                | 309                            | 743         |
| Mumbai                  | 112             | 50                | 276                            | 438         |
| Rest of Western Region  | 646             | 126               | 295                            | 1067        |
| Chennai                 | 112             | 42                | 135                            | 289         |
| Rest of Southern Region | 934             | 122               | 432                            | 1488        |
| Kolkata                 | 26              | 16                | 104                            | 146         |
| Rest of Eastern Region  | 37              | 7                 | 32                             | 76          |
| <b>Total</b>            | <b>2306</b>     | <b>470</b>        | <b>1795</b>                    | <b>4571</b> |

37. The average age of RVs as on January 31, 2022 stood at 47 years, across asset classes. It was 49 years for Land and Building, 53 years for Plant and machinery and 43 years for Securities or Financial Assets class. Table 18 presents age profile of RVs, as on January 31, 2022

**Table 18: Age Profile of RVs**

| Age Group (in years) | Land & Building | Plant & Machinery | Securities or Financial Assets | Total       |
|----------------------|-----------------|-------------------|--------------------------------|-------------|
| ≤ 30                 | 168             | 7                 | 129                            | 304         |
| > 30 ≤ 40            | 376             | 68                | 718                            | 1162        |
| > 40 ≤ 50            | 539             | 103               | 522                            | 1164        |
| > 50 ≤ 60            | 924             | 146               | 286                            | 1356        |
| > 60 ≤ 70            | 259             | 98                | 135                            | 492         |
| > 70 ≤ 80            | 38              | 46                | 5                              | 89          |
| > 80                 | 2               | 2                 | 0                              | 4           |
| <b>Total</b>         | <b>2306</b>     | <b>470</b>        | <b>1795</b>                    | <b>4571</b> |

## Complaints and Grievances

38. The IBBI (Grievance and Complaint Handling Procedure) Regulations, 2017, enable a stakeholder to file a grievance or a complaint against a service provider. Apart from this, the grievances and complaints are received from the Centralized Public Grievance Redress and Monitoring System (CPGRAMS), Prime Minister's Office (PMO), Ministry of Corporate Affairs, other authorities, and general public. The status of receipts and disposal of grievances and complaints as on January 31, 2022 is presented in Tables 19 and 20.

**Table 19: Category-wise Distribution of Receipts and Disposal of Grievances and Complaints, as on January 31 2022:**

(Number)

| Period         | Under the Regulations |            |            |           | Through CPGRAM/PMO/MCA /Other Authorities |             |             |           | Through other modes |             |             |           |
|----------------|-----------------------|------------|------------|-----------|---|-------------|-------------|-----------|---------------------|-------------|-------------|-----------|
|                | Opening               | Receipts   | Disposal   | Balance   | Opening                                   | Receipts    | Disposal    | Balance   | Opening             | Receipts    | Disposal    | Balance   |
| 2017-18        | 0                     | 18         | 0          | 18        | 0   | 6           | 0           | 6         | 0                   | 22          | 2           | 20        |
| 2018-19        | 18                    | 111        | 51         | 78        | 6   | 333         | 290         | 49        | 20                  | 713         | 380         | 353       |
| 2019-20        | 78                    | 153        | 177        | 54        | 49  | 239         | 227         | 61        | 353                 | 1268        | 989         | 632       |
| 2020-21        | 54                    | 268        | 260        | 62        | 61  | 358         | 378         | 41        | 632                 | 990         | 1364        | 258       |
| Apr- Jun, 2021 | 62                    | 79         | 85         | 56        | 41  | 120         | 90          | 71        | 258                 | 287         | 420         | 125       |
| Jul-Sept, 2021 | 56                    | 85         | 75         | 66        | 71  | 175         | 199         | 47        | 125                 | 157         | 114         | 168       |
| Oct-Dec, 2021  | 66                    | 56         | 64         | 58        | 47  | 158         | 154         | 51        | 168                 | 95          | 155         | 108       |
| Jan, 2022      | 58                    | 17         | 20         | 55        | 51  | 42          | 40          | 53        | 108                 | 35          | 19          | 124       |
| <b>Total</b>   | <b>NA</b>             | <b>787</b> | <b>732</b> | <b>NA</b> | <b>NA</b>                                 | <b>1431</b> | <b>1378</b> | <b>NA</b> | <b>NA</b>           | <b>3567</b> | <b>3443</b> | <b>NA</b> |

**Table 20: Wing-wise Distribution of Receipts and Disposal of Grievances and Complaints, as on January 31, 2022:**

(Number)

| Period          | RR Wing   |             |             |           | RM Wing   |             |             |           | AL Wing   |            |            |           |
|-----------------|-----------|-------------|-------------|-----------|-----------|-------------|-------------|-----------|-----------|------------|------------|-----------|
|                 | Opening   | Receipts    | Disposal    | Balance   | Opening   | Receipts    | Disposal    | Balance   | Opening   | Receipts   | Disposal   | Balance   |
| 2017-18         | 0         | 31          | 0           | 31        | 0         | 12          | 2           | 10        | 0         | 3          | 0          | 3         |
| 2018-19         | 31        | 855         | 473         | 413       | 10        | 282         | 230         | 62        | 3         | 20         | 18         | 5         |
| 2019-20         | 413       | 879         | 887         | 405       | 62        | 754         | 478         | 338       | 5         | 27         | 28         | 4         |
| 2020-21         | 405       | 615         | 868         | 152       | 338       | 961         | 1093        | 206       | 4         | 40         | 41         | 3         |
| Apr- June, 2021 | 152       | 282         | 308         | 126       | 206       | 201         | 286         | 121       | 3         | 3          | 1          | 5         |
| Jul-Sept, 2021  | 126       | 202         | 162         | 166       | 121       | 206         | 217         | 110       | 5         | 9          | 9          | 5         |
| Oct-Dec, 2021   | 166       | 116         | 212         | 70        | 110       | 185         | 154         | 141       | 5         | 8          | 7          | 6         |
| Jan, 2022       | 70        | 44          | 30          | 84        | 141       | 49          | 49          | 141       | 6         | 1          | 0          | 7         |
| <b>Total</b>    | <b>NA</b> | <b>3024</b> | <b>2940</b> | <b>NA</b> | <b>NA</b> | <b>2650</b> | <b>2509</b> | <b>NA</b> | <b>NA</b> | <b>111</b> | <b>104</b> | <b>NA</b> |

39. It is submitted for information of the Governing Board.