

Insolvency and Bankruptcy Board of India

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PRESS RELEASE

Insolvency and Bankruptcy Board of India celebrates the Fourth Annual Day

The Insolvency and Bankruptcy Board of India (IBBI) celebrated its Fourth Annual Day today. Hon'ble Minister of State for Finance and Corporate Affairs, Shri Anurag Singh Thakur graced the occasion as the Chief Guest. In his address, he elaborated several measures taken by the Government to ameliorate the pains of citizens in the aftermath of the COVID-19 pandemic. He pointed out that amendment to the Insolvency and Bankruptcy Code, 2016 (IBC) to suspend the filling of corporate insolvencies in respect of COVID-19 defaults was one such step required to save businesses from being closed prematurely. He expressed hope that the economy would revive soon on the back of picking up of demand and increased domestic and foreign investments. He commended the IBBI for having lived up to the expectations of the Government by being a dynamic and proactive regulator of a nascent law, the IBC. He fondly remembered the architect of the IBC, the late Mr. Arun Jaitely, former Minister of Finance and Corporate Affairs.

2. To commemorate its establishment, IBBI has instituted an Annual Day Lecture Series. Mr. Girish Chandra Murmu, Comptroller and Auditor General of India delivered the Fourth Annual Day Lecture on "*IBC: Adaptability is the Key to Sustaining Reforms in Times of a Pandemic*". He observed that the insolvency law has led to a significant behavioural shift among borrowers as non-repayment of loan is no more an option and ownership of a firm is no more a divine right and equity is no more the only route to own a firm. He observed that this behavioural shift had resulted in substantial recoveries for creditors outside the IBC and improved the performance of firms. Adaptability, he said, was most required for a law, like the IBC, to remain relevant to the times. Going forward, he said that once the pandemic is behind us, a few issues that need to be handled through the IBC would be making provisions for group insolvency and cross-border insolvency, and implementing various provisions related to individual insolvency.

3. Hon'ble Minister released the annual publication, "*Insolvency and Bankruptcy Regime in India: A Narrative*" on the occasion. This publication presents the thoughts and perspectives of practitioners, policymakers, subject experts, and academicians, that elucidate and stimulate thought around the journey of the IBC thus far and road ahead. It is an attempt to contribute to the scholarly and policy discourse around insolvency law.

4. The Comptroller and Auditor General of India released the Handbook for Insolvency Professionals titled "*Understanding the IBC: Key Jurisprudence and Practical Considerations*" prepared by International Financial Corporation, World Bank Group, in pursuance of a co-operation Agreement with the IBBI. The Handbook captures the evolving discipline of insolvency with all its nuances and is intended to serve as a single point of reference for insolvency professionals, and all others in the ecosystem, who wish delve into this emerging area of law and practice.

5. IBBI, in collaboration with MyGov.in, had conducted a 'National Online Quiz on Insolvency and Bankruptcy Code, 2016' from 1st to 31st July, 2020 to promote awareness and understanding of the Code among various stakeholders across the country. The Quiz received

overwhelming response with 1.26 lakh participants. There were in fact participants from every State and every Union Territory of India. The Comptroller and Auditor General of India gave away the medals and cash awards to the top three performers of the quiz.

6. Insolvency resolution has opened markets for distressed assets in terms of resolution plans, interim finance, and liquidation assets. Price discovery in any market is efficient if it has many participants and there is complete transparency. In the interest of efficient price discovery, IBBI has empanelled National e-Governance Services Limited to provide an electronic platform for market for distressed assets. Hon'ble Minister inaugurated the platform on the occasion.

7. In his welcome remarks, Dr. M. S. Sahoo, Chairperson, IBBI, thanked all stakeholders who joined the journey of IBBI and IBC's ecosystem and ensured that it was operationalized in shortest time, unprecedented in the history of any economic legislation in the country and that of that of any insolvency regime around the world. He shared the several small steps IBBI has been taking to earn credibility as an institution.

8. The Annual Day witnessed presence of limited number of dignitaries in person in the wake of COVID-19 pandemic situation. However, many stakeholders witnessed the event live through e-mode.

9. Dr. Mukulita Vijayawargiya, Whole Time Member, IBBI extended a hearty vote of thanks at the conclusion of the event.