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**Insolvency and Bankruptcy Board of India  
PRESS RELEASE**

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**IBBI celebrates its Third Annual Day**

India, in her endeavour to further strengthen the institutional milieu that provides, promotes and protects economic freedom at marketplace, overhauled its insolvency and bankruptcy regime by enacting the Insolvency and Bankruptcy Code, 2016 (Code) in May 2016. The Code provides for a market mechanism for reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit while balancing the interests of the stakeholders. While the provisions of the Code are being implemented in a phased manner, the outcomes, including behavioural changes, are clearly visible on the ground.

2. Three years into operation, the regime under the Code now boasts of a strong ecosystem, comprising the Adjudicating Authority, 20 benches, one Regulator, one Information Utility, three Insolvency Professional Agencies, about 2800 Insolvency Professionals, 60 Insolvency Professional Entities, 11 Registered Valuer Organisations and 2300 Registered Valuers. Debtors and creditors alike are initiating corporate insolvency resolution processes. About 2400 corporates, some of them having very large non-performing assets, have been admitted into corporate process. About 1000 of them have exited the process either yielding resolution plans or ending up with orders for liquidation or closure by settlement/withdrawal. Another 500 corporates have commenced voluntary liquidation.

3. The resolution plans have yielded on an average about 188% of liquidation value for financial creditors. They are realising on an average 44% of their claims through resolutions plans under a process which takes on average 350 days, a far cry from the previous regime which yielded a recovery of 25% for creditors through a process which took about 5+ years. This realisation, not being an objective of the Code, is only a bi-product of revival of failing corporates. Beyond revival of corporates, the Code has ushered in significant behavioural changes resulting in substantial recoveries for creditors outside the Code. In the words of the Hon'ble Supreme court, the defaulter's paradise is lost.

4. Rich jurisprudence has developed, with several landmark judgements, explaining conceptual issues, settling contentious issues and resolving grey areas arising in the implementation of the Code. The Government has been addressing difficulties arising from implementation of the Code, in sync with the emerging market realities, to further its objectives. The Code has witnessed three major legislative interventions in as many years. There is an unprecedented co-operation among the various authorities and stakeholders to implement the Code in letter and spirit.

5. The Insolvency and Bankruptcy Board of India (IBBI) is a key pillar of implementation of the Code. It regulates professions as well as processes. It has regulatory oversight over the Insolvency Professionals, Insolvency Professional Entities, Insolvency Professional Agencies and Information Utilities. It regulates and enforces rules pertaining to processes, namely,

corporate insolvency resolution, corporate liquidation, individual insolvency resolution and individual bankruptcy under the Code. It acts the 'Authority' under the Companies (Registered Valuers and Valuation Rules), 2017 for regulation and development of the profession of valuers in the country.

6. The IBBI is celebrating its third Annual Day on 1<sup>st</sup> October, 2019. **Hon'ble Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman will grace the occasion as the Chief Guest. Hon'ble Minister of State for Finance and Corporate Affairs, Shri Anurag Thakur and Secretary, Ministry of Corporate Affairs, Shri Injeti Srinivas will join as Guests of Honour.**

7. The **Learned Solicitor General of India, Mr. Tushar Mehta** will deliver the third Annual Day Lecture on **"IBC: Road Travelled and Road Ahead"**.

8. An annual publication, **"The Insolvency and Bankruptcy Code, 2016: A Miscellany of Perspectives"** will be released on the occasion. The Hindi version of the Code will also be released.

9. Senior officers of the Government and regulatory bodies will grace the occasion. This will witness the presence of the stakeholders of the insolvency regime, namely, the insolvency professionals, registered values, other professionals, debtors and creditors, business leaders, academicians, and researchers.

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