



भारतीय दिवाला और शोधन अक्षमता बोर्ड
Insolvency and Bankruptcy Board of India
14th September 2021

Dear Insolvency Professional,

Subject: Insolvency Professionals' Conclave

The Insolvency and Bankruptcy Code, 2016 (Code) constitutes a key economic reform. It was enacted on 28th May, 2016. The provisions in the Code relating to corporate insolvency came into force on 1st December, 2016. The entire regulatory framework and the ecosystem relating to corporate insolvency are in place.

2. The Code provides for processes for resolution of insolvency, wherever possible, and closure of firms, wherever required. Through these processes, it addresses firm failures by (i) reducing the possibility of failure; (ii) rehabilitating failing, but viable firms; and (iii) releasing resources from failed, but unviable firms to other uses. It enables the optimum utilization of resources, all the time, by (a) preventing use of resources below the optimum potential; (b) ensuring efficient resource use within the firm through resolution of insolvency; and (c) releasing unutilized or under-utilized resources for efficient uses through closure of the firm. It improves availability of credit by (i) preventing default; (ii) recovering default from future earnings of the firm, post-resolution; and (iii) recovering default from sale of liquidation assets. It liberates resources stuck up in inefficient and defunct firms for continuous recycling and changes the journey from 'Hopeless End' to 'Endless Hope'.

3. A key pillar of the institutional infrastructure for implementation of the Code is a class of regulated persons, namely, insolvency professionals. An insolvency professional has key responsibilities envisaged under the Code viz. (a) a fresh start process; (b) individual insolvency resolution process; (c) corporate insolvency resolution process; (d) individual bankruptcy process; (e) corporate liquidation process and (f) voluntary liquidation process. For example, as provided in section 23 of the Code, an insolvency professional conducts the entire corporate insolvency resolution process and manages the operations of the corporate debtor during the corporate insolvency resolution process. Under section 30(2) of the Code, he examines each resolution plan to confirm that it does not contravene any provision of any law. He is the hub that connects all the spokes, co-ordinating and communicating with all the stakeholders and facilitating commercial decision with equity. In fact, the profession of insolvency professionals is a key institution of the insolvency and bankruptcy regime.

4. Institutions do matter. A key differentiator among nations is the quality of its institutions. The success of the insolvency and bankruptcy regime hinges to a large extent on the quality of the institution of insolvency professionals. The quality of this profession in terms of capability and ethics depends on institutional environment and institutional arrangement that incentivises the insolvency professionals to perform while holding them accountable for their performance. While the profession is new, there has been considerable learning over the last few years. Clarity about mutual expectations of the insolvency professionals and the society (represented by other stakeholders) has emerged. As a continuing trend, let us hear the expectations of a few well-wishers of the profession keeping in mind the developments that have taken place so far.

 Contd....

Contd....

5. In this background, organisation of IP Conclave by the Insolvency and Bankruptcy Board of India (IBBI) has become key feature. First IP Conclave was held in New Delhi on 10th February, 2018 followed by another IP Conclave in Mumbai on 26th May 2018 and thereafter in Hyderabad on 1st December 2018. Encouraged by huge response and enthusiasm at these IP Conclaves, IBBI has scheduled a **half-day (9:30am-1:00pm) IP Conclave on Saturday, 18th September, 2021 at Kolkata.**

6. Keeping in view the Government directives to contain the spread of COVID-19, the programme is being organised in hybrid format, with physical presence of dignitaries on dais and few IPs (residing in Kolkata) to be nominated by their respective IPAs. The programme would be web cast and accessible online to a larger audience. The programme link for joining the IP Conclave will be shared soon.

Yours sincerely,


(Amit Pradhan)