

Insolvency and Bankruptcy Board of India

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Press Release

The Insolvency and Bankruptcy of India and Vidhi Centre for Legal Policy organise a Conference on ‘Insolvency and Bankruptcy Code, 2016: A Roadmap for the Next Two Years’.

The Insolvency and Bankruptcy Board of India (IBBI) and Vidhi Centre for Legal Policy (Vidhi) organised a Conference titled ‘Insolvency and Bankruptcy Code, 2016: A Roadmap for the Next Two Years’ in New Delhi today.

2. The Conference brought together the key stakeholders to distil learning from the implementation of the Insolvency and Bankruptcy Code, 2016 over the last two years, track the changes in the insolvency landscape in the country, address the challenges faced by stakeholders in the insolvency eco-system, identify opportunities to make the eco-system more robust and draw a roadmap for further development of the insolvency eco-system over the next two years. The Conference featured an inaugural address by Mr. Arun Jaitley, the Hon’ble Union Minister for Finance & Corporate Affairs, four panel discussions and a valedictory address by Dr. Rajiv Kumar, Vice-Chairman, NITI Aayog.

3. In his inaugural address, Mr. Arun Jaitley stated that the early harvest of the Code has been very promising and more than satisfactory. The Code has contributed to recovery of loans in three ways: recovery through resolutions under the Code, settlement of default before admission of application for initiation of insolvency resolution, and repayment of loan before there is default to avoid insolvency proceeding. He noted that since its enactment, certain amendments have been made in the Code to bring it in tune with market realities. Keeping with the dynamic nature of the markets, he highlighted certain issues that may require further deliberations, including role of operational creditors in the corporate insolvency resolution process, extent to which the provisions of section 29A of the Code should cover related parties, calibration of an appropriate dispensation for MSMEs, capacity building for NCLT, the possibilities of a pre-Code restructuring process, and cross border insolvency in the days to come. Mr. Jaitley felt that once an honest creditor-debtor relationship is restored on account of the Code, the option of "marrying" the insolvency framework with possible settlement schemes can be looked at in the future. He further stated: *"I am quite certain that after the recent Supreme Court pronouncement with regard to frivolity of certain appeals which are preferred against every interlocutory order, hopefully the process of pending cases would now be expedited and therefore the money which is lying blocked otherwise could be utilised back into the system."*

4. In his valedictory address, Dr. Kumar stated that the Code has restored the sanctity of the debtor-creditor relationship. While noting that India’s ranking has improved about 30 notches in insolvency parameter on account of the implementation of the Code in the Ease of Doing Business Report of the World Bank, he urged IBBI and other stakeholders to have a systematic plan to improve India’s Ease of Doing Business further. He called for review of section 29A in the interest of maximization of value of the assets of the corporate debtor.

5. In his special address, Dr. M. S. Sahoo, Chairperson, IBBI stated that when the Code was put in place on 28th May, 2016, it was on an uncharted territory. There was no prior

experience of an insolvency law that was proactive, incentive-compliant, market-led, and time-bound. Many institutions required for implementation of a modern and robust insolvency regime, as envisaged under the Code, did not exist. The Code and the reform envisaged under it was, in many ways, a leap into the unknown and also a leap of faith. Yet, the enactment of the Code and its implementation have been very swift, probably with no parallel inside or outside the country. Noting that the “road to success is always under construction”, he welcomed everyone for the development of a roadmap for further implementation of the Code for the next two years.

6. The Conference witnessed the launch of the book “Insolvency and Bankruptcy Code: The journey so far and the road ahead”, a joint publication of Vidhi and Ernst & Young in the hands of the Hon’ble Union Minister for Finance & Corporate Affairs.

7. The Conference featured panel discussions on four themes, namely, ‘Testing the creditor friendly promise of the Code’, ‘Promoting entrepreneurship through the Code’, ‘Easing resolution and creating a market for distressed assets’, and ‘Insolvency from the regulators’ and policymakers’ lens’. Key stakeholders, including representatives from the Government, regulators, financial institutions, investment funds, industry, asset reconstruction companies as well as insolvency professionals and legal practitioners participated in this Conference.

8. Dr. T. K. Viswanathan, Chairman, BLRC; Dr. K. P. Krishnan, Secretary, Ministry of Skill Development and Entrepreneurship; Mr. Ghyanendra Nath Bajpai, Former Chairman, SEBI; Mr. Gyaneshwar Kumar Singh, Joint Secretary, Ministry of Corporate Affairs; Ms. Anshula Kant, Managing Director, State Bank of India; Mr. Sumant Batra, President, SIPI; Mr. Harish Chander (Edelweiss Asset Reconstruction Company Ltd.); Mr. Pramod Rao (ICICI Bank); Mr. Anuj Jain (Insolvency Professional); Mr. Bahram Vakil (AZB & Partners); Mr. Harry Dhaul (IPPAI); Ms. Mamta Binani (Insolvency Professional); Mr. Dinkar Venkatasubramanian (Insolvency Professional); Mr. Ashwin Bishnoi (Khaitan & Co.); Mr. Shardul Shroff (Shardul Amarchand Mangaldas); Mr. Puneet Dalmia (Dalmia Bharat Group); Mr. Koushik Chatterjee (Tata Steel); Mr. Anurag Das (International Asset Reconstruction Company); Mr. Shantanu Nalavadi (India RF); Mr. Rajesh Samson (Insolvency Professional); Mr. Bharat Anand (Khaitan & Co.); Mr. Dhananjay Kumar (Cyril Amarchand Mangaldas), Dr. Arghya Sengupta, (Research Director, Vidhi); Mr. Debanshu Mukherjee (Founding Member, Vidhi); Mr. K. R. Saji Kumar, Executive Director, IBBI; Ms. Shreya Prakash (Vidhi) and Ms. Aishwarya Satija (Vidhi) and other policy makers, economists, researchers, professionals and other stakeholders shared their thoughts at the Conference.
