

Insolvency and Bankruptcy of India
Press Release

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The Insolvency and Bankruptcy of India organises conference on Insolvency and Bankruptcy Code

The Insolvency and Bankruptcy Board of India (IBBI) jointly with Consulate General of India and FICCI organised an invite-only conference on ‘Insolvency and Bankruptcy Code – A New Paradigm for Stressed Assets’ on Wednesday, 5th December, 2018 at the Consulate General of India, New York, USA.

While inaugurating the conference through video conferencing from New Delhi, the Hon’ble Union Minister of Finance and Corporate Affairs, Mr. Arun Jaitley stated that the scattered regime prior to the enactment of the Insolvency and Bankruptcy Code, 2016 had impacted the domestic private investment with over capacities in certain sectors coupled with unacceptably high levels of Non-Performing Assets (NPAs) in the banking system, hindering growth. To address these concerns, this Government not only enacted the Code expeditiously, but also has been implementing it at an unprecedented pace. It was anticipated that in the initial days, there would be some teething troubles. Government is addressing these troubles on priority. Despite the initial difficulties, the outcome from implementation of the Code has been better than he anticipated. The process is governed by rules and regulations and the Government maintains a arms’ length distance from the process and has no favourites. The only downside has been that in some of the cases because of appeals and counter-appeals and litigations, the process has got somewhat delayed. But then the Supreme Court has stood up to the occasion. While referring to the regrettable phenomenon of unwillingness of the debtors to repay the debts in the past, the Minister emphasized that the Code has significantly changed the lender-borrower relationship in India. A very large number of debtors who fear that they are about to touch or cross the red line after which they will be in the NCLT (National Company Law Tribunal) are now refraining themselves from becoming defaulters.

The Minister stated: “Unquestionably it has now been established over the last few years that India is a fast-growing economy, faster than some of its contemporaries amongst the emerging economies and my own view is that India, over the next decade or so, is likely to maintain this high growth rate of at least 7-8 per cent.” Highlighting the investment opportunities emerging from the processes under the Code, he stated that given the future potential of the Indian economy, and the fair process followed under the Code, it is a great opportunity for investors who are seriously thinking about investing in India. There can’t be a better opportunity than the present one which is being offered through the Code. He stated: “This is the right time and right place to be in India for these kinds of investments”. Noting the number of corporate debtors undergoing resolution, he stated that the number of assets that are available for takeover through the Code is extremely large.

Dr. M. S. Sahoo, Chairperson, IBBI touched upon the key features of the new regime which provides for a market mechanism for resolution of insolvency, wherever possible, and exit, wherever required. Mr. Sanjeev Sanyal, Principal Economic advisor, Ministry of Finance stated that the Code has established rule based creative destruction and changed the culture of rolling over det and evergreening. Mr. Sandeep Chakravorty, Consul General of India in New York invited attention to the changes in the Indian economy in the last five years due to the deep economic reforms, including GST and the Code, to make it easy for doing business.

The other eminent speakers at the conference included Dr. Arunish Chawla, Minister Economic, Embassy of India; Mr. Shardul Shroff, Executive Chairman and National Practice Head, Insolvency & Bankruptcy, Shardul Amarchand Mangaldas & Co.; Dr. Mamta Suri, Executive Director, IBBI; Mr. Anoop Rawat, Partner, Insolvency & Bankruptcy, Shardul Amarchand Mangaldas & Co.; Mr. Nilanjan Sinha, Head Legal, ICICI Bank; Mr Manish Aggarwal, Partner, Head - Resolutions & Restructuring Special Situations Group, KPMG; Mr. Aneek Mamik, Senior Managing Partner, Varde Partners; Ms. Debra A. Dandeneau, Partner, Baker & McKenzie; Mr Sanjeev Krishan, Partner & Leader - Private Equity & Deals, PricewaterhouseCoopers Pvt Ltd.; Mr Sanjay Gupta, Director, ICAI Insolvency Professional Agency; Mr. Sumit Khanna, Partner & National Head Corporate Finance & Restructuring, Deloitte India, Mr Karamvir Dahiya, Bankruptcy Litigation Lawyer, and Ms. Jyoti Vij, Deputy Secretary General, FICCI.

The Conference was followed by a roundtable with prospective stakeholders of the Indian insolvency regime. This witnessed participation of fund houses and law firms, including Kirkland, KKR, Hartford, Wachtell, Lipton, Rosen, KTC, Debevoise, Plimpton, MSD, Raffael Surety Group, and State Bank of India. The participants were keen to understand the process certainty, time certainty and outcome certainty.
