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03rd April, 2018

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. Debtors, creditors and resolution applicants are undertaking corporate insolvency resolution processes.

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 utilisation 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 unutilised or under-utilised 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 in (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 period. 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 one year.

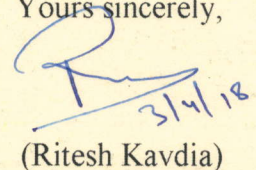
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Clarity about mutual expectations of the insolvency professionals and the society (represented by other stakeholders) has emerged. It is time to hear the expectations of a few well-wishers of the profession.

5. In this background, the Insolvency and Bankruptcy Board of India (IBBI) had organised an IP Conclave in New Delhi on 10th February, 2018. Encouraged by huge success of the IP Conclave at Delhi, it has scheduled another half-day (9:30am-1:00pm) IP Conclave on **Saturday, the 05th May, 2018 in ICAI Tower, WIRC, Plot No. C-40, G Block, Bandra Kurla Complex, Bandra (East), Mumbai**. Three well-wishers, namely, Dr. M. S. Sahoo, Chairperson, IBBI; Hon'ble Justice Mr. M. M. Kumar, President, NCLT and Mr. Rashesh Shah, President, FICCI will address the insolvency professionals at the Conclave. It will end with lunch.

6. This Conclave is being organised in association with the three Insolvency Professional Agencies, namely, Indian Institute of Insolvency Professionals of ICAI (lead partner for the Conclave), ICSI IIP, and IPA of ICAI (Cost). Since the capacity of the auditorium is limited, participation will be limited on '*first come first served*' basis. In case you are interested to attend the IP Conclave, kindly confirm your participation at ipprogram@icai.in by 30th April, 2018. For further clarifications please **contact Ms. Meenakshi Gupta, Indian Institute of Insolvency Professionals of ICAI 8178596084**. Please carry your identity card issued by your IPA or any other identity card to facilitate your entry to the auditorium of the Conclave.

Yours sincerely,



31/4/18

(Ritesh Kavdia)