



भारतीय विवाला और शोधन अड्डमता बोर्ड
Insolvency and Bankruptcy Board of India

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Insolvency and Bankruptcy News

The Quarterly Newsletter of the Insolvency and Bankruptcy Board of India

January - March, 2022 | Vol. 22



INFORMATION UTILITIES
— Mitigating Asymmetries —

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"The IBC has been key in releasing entrepreneurship from honest business failures, which is important as we have the 3rd largest startup ecosystem in the world,"

Shri Rajesh Verma, Secretary MCA during the Colloquium on
"NCLT- The Road Ahead" on March 26, 2022.

Information Utilities: Mitigating Asymmetries

“Often the main problem is that borrowers are more alert of pitfalls of financial contract since they are better aware of the risks involved in a project for which financing is requested. These informational differences are the very underlying cause of adverse selection or what is already known as the lemons problem....”

Domantas Skardziukas

Information asymmetry is the situation where one party in a transaction is better informed in comparison to the other party. Such situations tilt the balance of power in favour of the party having the information at the expense of other who goes for financial contract without gauging the market pulse. In situations of financial distress, information asymmetry arises as the corporate debtor - its shareholders and promoters, are better informed of the asset value than the creditors. Incomplete or missing information delays decision making, exacerbates value erosion and increases the costs associated with re-organisation of the firm. It may also lead to sub-optimal decisions regarding viability of the business or the feasibility of a resolution plan. Value erosion is critical in deciding the revival prospects of the debtor and is detrimental to both the debtor and creditor and needs to be minimized in order to achieve the objective of value maximization through resolution.

Information asymmetry is addressed with incentives to encourage disclosure of information; to provide for disclosure through statutory mandate; through use of an ‘information intermediary’ to gather and share information between stakeholders, and monitoring of disclosure with rewards/penalties associated with performance in this regard. The development of information intermediary institutions has been a pre-dominant means, as it systematises the addressing of the concern of asymmetry and is able to carry out regular monitoring and adapt to changes in market conditions.

The financial sector evolved institutions of market intermediaries like financial analysts, rating agencies etc., alongwith statutory mandates on businesses through listing disclosures and obligations to reduce information asymmetry. These measures have enabled better flow of information between creditors and debtors and, larger market investors, helping reduce the cost of information asymmetry. There are multiple institutions collecting “financial information” and “credit information” in the economy, collectively known as the “credit information companies” (CICs) which are

regulated by the Reserve Bank of India. Further, the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) was amended in 2016 to provide for a central database to integrate records of “property” registered under various registration systems with the central registry. The Insolvency and Bankruptcy Code, 2016 (IBC / Code) has experimented with a unique dispensation, unheard in other jurisdictions, which provides for Information Utilities (IU) as a means to address the concern of information asymmetry.

In 2015, the Bankruptcy Law Reforms Committee (BLRC) in its report on rationale and design, laid out the essence of IU and need for the same.¹ Post the insolvency filing and before the commencement of the resolution process, an essential step is to correctly establish the facts on the assets available, who the claimants are, and what contracts are in force. The prime motivation was to establish an institution in the form of an IU that can act as a storehouse of crucial debt and default information. The IU was designed as an institution with multiple objectives, namely:- (i) undisputed information for initiation of insolvency process; (ii) a credit and contract repository; and (iii) repository of authenticated financial information verified by all parties of the debt.² It was also to function in a private competitive market to avoid creation of a monopoly and minimised the chances of market failure by mandating that IUs were to be interoperable. It was envisaged that over time, IUs would collectively capture a comprehensive picture of the financial liabilities of all entities. BLRC further recommended leveraging technology to build the IU. The IBBI registered the first IU namely, National E-Governance Services Limited (NeSL) on September 25, 2017. The entity is promoted by State Bank of India, Canara Bank, Bank of Baroda and others.

The IBBI (Information Utilities) Regulations, 2017 (IU Regulations) enable the IBBI to lay down technical standards, through guidelines, for the performance of core services and other services by IUs, based on the recommendations of a Technical

Committee. The technical standards ensure reliability, confidentiality, and security of financial information to be stored by the IUs. Based on the recommendations of the Technical Committee, the IBBI laid down technical standards on December 13, 2017. These standards relate to terms of service; registration of users; unique identifier for each record and each user; submission of information; identification and verification of persons; authentication of information; verification of information; data integrity; consent framework for providing access to information to third parties; security of the system; security of information; risk management framework; preservation of information; and purging of information.

The RBI amended the Credit Information Companies Regulations, 2006 on August 11, 2017 to include the IU and a Resolution Professional appointed under IBC, as a “specified user” (earlier limited to banks and financial institutions) and allowed them access to the databases of existing CICs. Regulation 26 of the IU Regulations, enables the IU to import information from such registries as may be notified by IBBI. It is expected that the business models and cost structures of IU and CICs permit seamless and cost-efficient flow of information between the two, so that a debt-default may be determined clearly and expeditiously in insolvency matters. The Code emphasises the need for readily available, reliable information in the hands of the creditor and debtor. Section 215 of the Code requires financial creditors to submit financial information to IUs. It also mandates that the information submitted is co-verified with all the concerned parties. As on March 31, 2022, 692 financial creditors and 779 operational creditors have submitted information for around 95 lakh debtors with NeSL. 1.42 crore loan records have been on-boarded so far and defaults in around 3 lakh loans have been authenticated by the debtors.

Time is of essence in the insolvency resolution process and delays in establishing the existence of debt and default amount needs to be reduced. In order to trigger a case of insolvency against an entity, the creditor has to prove that (a) the debtor has a liability to the creditor and (b) its failure to meet such liability. The Code states that creditors have to submit such information along with the application for initiation of insolvency resolution. Without this evidence, the adjudicator will refuse to register the insolvency case, or defer the matter until the same can be proved. Traditionally, the process of establishing debt and default was

paper based and reliability was questionable, requiring extensive enquiry by the Adjudicating Authority (AA), thus leading to delays in initiation of the insolvency process. If, on the other hand, the record of the liability and the instance of default is readily accessible from an IU then the time taken for admission can be reduced.

Enhancing effectiveness of IU

The Standing Committee on Finance in its 32nd Report³ noted that one of the main reasons for delay in the insolvency resolution process is delay in admission of applications by the AA. The delay in admission of application causes asset erosion. Asset erosion can lower the perceived value of the business, as it lowers the book value of the assets associated with the company which is detrimental to the interests of the stakeholders. It also impacts the investors’ interest thereby increasing the possibility of pushing a viable entity into liquidation. As per IBC, the admission process should ordinarily be completed within fourteen days from the date of filing application. However, there are large delays in admission of applications. While there are several factors leading to such delays such as litigations by the creditors on account of existence of disputes, technical faults in the applications, jurisdictions of AA or lack of adequate capacity at AA, an avoidable factor is the information asymmetry in the entire process which can be mitigated by enhancing the effectiveness of IU.

To address the issue of delays in admission of insolvency petitions, the IBBI solicited views of stakeholders on suggestions to enhance effectiveness of IU, through discussion paper released on April 8, 2022. The paper proposes to streamline the format of information of debt/default, record of default and to facilitate submission of additional information by creditors with the IBBI at the time of filing the insolvency application. The proposals are expected to reduce the information asymmetry for creditors at the filing stage thereby helping to speed up admission and also aid in swifter verification of claims by the insolvency professional. The existing framework along with the proposed changes will further enable seamless information exchange between stakeholders and modernise IU operations and functioning. This would create an information-rich environment that will significantly reduce practical frictions that has, and would otherwise, bedevil the resolution of insolvency and bankruptcy in India.

(Ravi Mital)

¹ https://ibbi.gov.in/BLRCReportVolI_04I12015.pdf

² <https://www.ibbi.gov.in/wg-04report.pdf> - Working Group on Information Utilities

³ <https://www.ibbi.gov.in/uploads/resources/fc8fd95f0816acc5b6ab9e64c0a892ac.pdf>

IBBI Updates

Parliamentary Standing Committee

The Parliamentary Standing Committee on Finance took oral evidence of the representatives of the Ministry of Corporate Affairs (MCA) on the matters pertaining to the IBC and Budget allocation for the year 2022-23 on February 24, 2022. Secretary and other officers of the MCA, Chairperson, IBBI and senior officers of IBBI appeared before the Committee.

International Women's Day Celebration

To mark the occasion of International Women's Day, the IBBI organised a Seminar on March 8, 2022, on the lines of this year's United Nations' theme "Gender equality today for a sustainable tomorrow". Mrs. Sujata Chaturvedi, Secretary, Department of Sports and Youth Affairs was the Chief Guest at the occasion. Highlighting issues relating to women empowerment, she expressed that women do not demand any special treatment, but principle of equity demands that they get fair and equal opportunity to demonstrate their skill set.

The other dignitaries who spoke on the occasion were Mr. Ravi Mital, Chairperson, IBBI and Dr. (Ms.) Mukulita Vijayawargiya, WTM, IBBI. They highlighted that women are equally important in each sphere of life, be it economic, social, and cultural aspect, women leave strong imprints on the society and further emphasised the role of women as a source of value system of the society. The Seminar also had a session on "Sharing Success Stories", where Dr. Deepa Malik, International Para Athlete (Padma Shri & Arjuna Award Winner); Ms. Swarupama Chaturvedi, Advocate-on-Record, Supreme Court of India; Mrs. Sudhaben Sureshbhai Patel, Vice Chairman, Valsad Milk Union; Ms. Deepika Bhugra Prasad, Insolvency Professional; Ms. Nisha Malpani, Insolvency Professional and Registered Valuer; and Ms. Veenu Drall, Youngest Female Insolvency Professional, addressed the participants and shared their experiences.



Seminar on International Women's Day: March 8, 2022



Seminar on International Women's Day: March 8, 2022

MoU with IBA

The IBBI signed a Memorandum of Understanding (MoU) with Indian Banks Association (IBA) at a Workshop on "Committee of Creditors: An Institution of Public Faith" at New Delhi on March 4, 2022. This collaboration aims at conducting awareness and capacity building programs, primarily for financial creditors (FCs), on insolvency, bankruptcy, and other related topics. This will benefit the officers of scheduled commercial banks and financial institutions who represent FCs in the Committee of Creditors (CoC), under the IBC.

Human Resources

Additional charge – Chairperson, IBBI

The additional charge of Chairperson, IBBI, with Dr. Navrang Saini, WTM, in addition to his existing duties, was further extended vide order dated January 14, 2022.

Appointment of Mr. Ravi Mital, Chairperson, IBBI

Mr. Ravi Mital took charge as Chairperson of the IBBI on February 9, 2022. Prior to his joining IBBI, he superannuated from the position of Secretary, Department of Sports, Ministry of Youth Affairs and Sports. He has also served as Secretary, Ministry of Information & Broadcasting and Special Secretary, Department of Financial Services, Ministry of Finance. He is a 1986 batch Indian Administrative Service officer of Bihar cadre.



Mr. Rajesh Verma, Secretary, MCA administering oath of office to Mr. Ravi Mital, Chairperson, IBBI: February 9, 2022

Completion of tenure of Dr. Navrang Saini, WTM, IBBI

Dr. Navrang Saini completed his tenure of five years as whole-time Member of the IBBI on March 5, 2022. In the last Governing Board meeting attended by Dr. Saini on March 2, 2022, the members recorded their deep appreciation of his significant contributions over the last five years towards building the IBBI and implementation of IBC.

The IBBI family bid farewell to Dr. Saini on March 5, 2022 and remembered his valuable contributions during his tenure at IBBI. Dr. Saini expressed his gratitude to the IBBI family for extra-ordinary support, and guidance in discharge of his duties.



Farewell to Dr. Navrang Saini, WTM, IBBI: March 5, 2022

COVID-19 Protocol and Precautions

The IBBI has been taking several measures to contain the spread of COVID-19 to ensure the safety of its officers and staff without impacting the office work. Standard Operating Procedures (SOP), based on various guidelines issued by the Government from time to time, have been laid down as regards social distancing, wearing of masks and maintaining hand hygiene. Office premises are regularly sanitised. Regular attendance of officers along with biometric system has been resumed subject to following SOP for work in office premises and COVID-19 appropriate behaviour.

Employee Trainings and Workshop

The IBBI organised the following workshops and trainings for its officers through video conference:

Date	Nature of Programme/Subject	Faculty
19-01-22	Manupatra Legal Database	Manupatra team
23-03-22	Legislative drafting	Dr. (Ms.) Mukulita Vijayawargiya, WTM
24-03-22	Cross Border Insolvency for the Regulators	Insolvency Service, UK & Herbert Smith Freehills, UK

The officers of IBBI attended the following workshops and training programmes:

Date	Organised by	Nature of the programme/Subject	No. of Officers
10-01-22 to 11-01-22	National Productivity Council of India	Service Regulations	1
24-01-22 to 25-01-22	National Productivity Council of India	Safeguards in Public Procurement, GFR 2017 along with amendments	4
07-02-22 to 25-02-22	IICA	Designing & Drafting of Regulation and its Management	2

Legal and Regulatory Framework

Central Government

Appointment of Dr. Anuradha Guru as Ex-officio member in the Insolvency and Bankruptcy Board of India

The Central Government vide notification dated January 28, 2022 had appointed Dr. Anuradha Guru, Economic Adviser, MCA as ex-officio member in the Insolvency and Bankruptcy Board of India to represent the said Ministry in the Board.

Economic Survey

The Economic Survey 2021-22, while noting the outcomes under the IBC, advocated for a standardised framework for cross-border insolvency and simplification of the voluntary liquidation process. It also emphasised the need for creation of a single window framework for the entire voluntary liquidation process.

Union Budget 2022-23

The Union Budget 2022-23 provided the following:

- Necessary amendments in the Code will be carried out to enhance the efficacy of the resolution process and facilitate cross border insolvency resolution.
- Several IT-based systems have been established for accelerated registration of new companies. Now the Centre for Processing Accelerated Corporate Exit (C-PACE) with process re-engineering, will be established to facilitate and speed up the voluntary winding-up of these companies from the currently required 2 years to less than 6 months.

IBBI

Amendment to CIRP Regulations

The IBBI amended the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) vide notification dated February 9, 2022 (amendment). The amendment reviews the various circulars issued from time to time to deal with the issues that arise during the Corporate Insolvency Resolution Process (CIRP) and for better implementation of the Code. For ease of compliance and for integrating the directions given through circulars into the relevant Regulations, the circular issued on April 16, 2021 regarding clarification on consideration of matters / issues by the committee of creditors on request by members of the committee and circular issued on January 6, 2021 regarding retention of records relating to CIRP, have been made a part of the CIRP Regulations by way of amendment in Regulation 18 and Regulation 39A respectively.

Amendment to Online Delivery of Educational Course and CPE Guidelines

The IBBI extended the validity of the Insolvency and Bankruptcy Board of India (Online Delivery of Educational Course and Continuing Professional Education by Insolvency Professional Agencies and Registered Valuers Organisations) Guidelines, 2020, till September 30, 2022, vide Circular dated March 29, 2022.

Invitation of comments from public on proposed changes to Voluntary Liquidation Framework

The IBBI vide its discussion paper dated February 1, 2022 invited comments from stakeholders on the changes proposed to IBBI (Voluntary Liquidation Process) Regulations, 2017. The discussion paper proposes reduced timelines for various activities under the Voluntary Liquidation Framework, such as preparation of list of stakeholders by the liquidator, distribution of proceeds to the stakeholders, and submission of final report by the liquidator. The proposed amendments, by curtailing the unwarranted time spent on various activities, aim to ensure early completion of Voluntary Liquidation Process, thereby, provide quicker exit for the corporate person, release the idle resources faster, and put them into productive uses.

Further, on the lines of compliance certificate provided under CIRP Regulations and Liquidation Regulations, it is proposed that a similar compliance certificate / checklist may be introduced for Voluntary Liquidation Process, to be submitted along with final report to the AA. The certificate / checklist would contain summary of the Voluntary Liquidation Process including the time taken for various actions by the liquidator against the prescribed time limit, details of receipts and payment during the process, etc. The proposed amendment would assist the AA to process the dissolution applications expeditiously and ensure consistency across its benches.

Invitation of comments from public on Engagement of Professionals during CIRP

The IBBI vide its discussion paper dated February 15, 2022 invited comments from stakeholders on the proposed amendments to CIRP Regulations, on engagement and appointment of professionals during CIRP. In order to make the process of appointment of professionals more robust and transparent, it is proposed that the interim resolution professional or the resolution professional shall lay the request for appointment of professional before the CoC for ratification and such request for appointment shall be accompanied by a statement in writing, providing the reasons and justification for the appointment by way of cost benefit analysis, the scope of work assigned, the absence of such services in the corporate debtor (CD), the manner of selection and reasonableness of cost for such service. Further, the request shall also be accompanied by a declaration by the IP that, (i) he has exercised reasonable due diligence before proposing such appointment; (ii) the appointment is not of a related party; (iii) he has obtained an undertaking that the same professional(s) will not associate himself, in any way, with other stakeholders involved in the process; and (iv) requisite disclosures have been made regarding such appointments.

Other Authorities

Securities and Exchange Board of India

Introduction of Special Situation Funds as a sub-category under Category I AIFs

The Securities and Exchange Board of India (SEBI) has amended SEBI (Alternative Investment Funds) Regulations, 2012 vide its notification dated January 24, 2022 to introduce Special Situation Funds (SSF), a sub-category under Category I AIF, which shall invest in 'special situation assets'. It has been specified that SSF intending to act as a resolution applicant under the IBC shall ensure compliance with the eligibility requirement provided thereunder. The amendment also specifies the conditions for SSFs acquiring stressed loans in terms of Clause 58 of the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021.

Orders

Supreme Court

Devarajan Raman Vs. Bank of India Limited [Civil Appeal No. 3160 of 2020]

The AA directed the FC to pay an amount of ₹ 5,00,000/- plus GST towards the fee of the RP. On an appeal by RP, contending inadequacy of the fee, NCLAT dismissed the appeal and observed that fixation of fee is not a business decision depending upon the commercial wisdom of the CoC. SC while setting aside the orders of AA and NCLAT noted that NCLAT has proceeded in an ad hoc manner. It further held that both the orders suffer from an abdication in the exercise of jurisdiction, as, in the absence of any reasons either in the order of the AA or the NCLAT, it is impossible for the court to deduce the basis on which the payment of an amount of ₹ 5,00,000/- together with expenses was found to be reasonable.

Bank of Baroda & Anr. Vs. MBL Infrastructures Limited & Ors. [Civil Appeal No. 8411 of 2019]

The judicial interpretation of section 29A(h) of the Code was an issue in this appeal before the SC. Loans/ credit facilities were obtained by the CD from a consortium of banks (State Bank of Mysore, now State Bank of India as lead bank). On the failure of the CD to act in tune with the terms of repayment, some of the lender banks were forced to invoke the personal guarantees extended by promoter of the CD for the credit facilities availed by it. Lenders including RBL Bank issued a notice under section 13(2) of the SARFAESI Act after duly invoking the personal guarantee of the promoter. Later, RBL Bank initiated CIRP under section 7 against the CD which was admitted by AA. Two resolution plans were received by the RP of which, one was authored by the personal guarantor promoter prior to the introduction of section 29A of the Code.

AA, vide its order dated December 18, 2017 held that the personal guarantor was eligible to submit a resolution plan, notwithstanding the fact that he did extend his personal guarantees on behalf of the CD which were duly invoked by some of the creditors. It ruled that in as much as the personal guarantee having not been invoked and the personal guarantor merely having extended his personal guarantee, as such there is no disqualification per se under section 29A(h) of the Code as the liability under a guarantee arises only upon its invocation. Thus, only those guarantors who had antecedents which might adversely impact the credibility of the process are alone to be excluded. As debt payable by personal guarantor was not crystallized, he could not be construed as a defaulter for breach of the guarantee. While the appeal was pending before NCLAT against this order of AA, section 29A(h) went through an amendment which came into effect from January 18, 2018 whereby it was declared that a person shall not be eligible to submit a resolution plan if he has executed an enforceable guarantee in favour of a creditor, in respect of a CD against which an application for insolvency resolution made by such creditor has been admitted under the Code.

The resolution plan of promoter was approved by CoC with 78.50% voting and the pending appeal before the NCLAT was withdrawn on February 27, 2018. The AA approved the resolution plan by its order dated

April 18, 2018 inter alia holding that the issue qua the eligibility under section 29A(h) decided already, coupled with the resolution plan crossing the requisite threshold of approval by the CoC i.e., 75% vote share, having considered the technoeconomic viability and feasibility of the plan, the application filed for approval of the resolution plan submitted by the promoter was liable to be allowed. A direction was accordingly given, holding that the approved resolution plan shall come into force with immediate effect.

NCLAT confirmed the order of AA. On appeal, SC observed that:

- Once a person executes a guarantee in favour of a creditor for credit facilities availed by a CD, and the matter has been admitted, and the guarantee having been invoked, the bar qua eligibility under section 29A(h) would certainly come into play;
- What is required to earn a disqualification under the said provision is a mere existence of a personal guarantee that stands invoked by a single creditor, notwithstanding the application being filed by any other creditor seeking initiation of CIRP; and
- If the submission of the plan is maintainable at the time when petition was filed, and thereafter, by the operation of the law, a person becomes ineligible, which continues either till the time of approval by the CoC, or adjudication by AA, then the subsequent amended provision would govern the question of eligibility.

SC held that the resolution plan submitted by the promoter of CD was not maintainable due to his ineligibility under section 29A(h) of the Code. However, SC disposed of the matter without disturbing the approved plan on merits considering socio economic factors viz., the employment of several workers and that the CD is a running concern.

M/s Consolidated Construction Consortium Limited Vs. M/s Hitro Energy Solutions Private Limited [Civil Appeal No. 2839 of 2020]

The appellant executed a project with Chennai Metro Rail Limited (CMRL) under which it placed orders with the respondent and an advance was paid by CMRL to the respondent. On termination of the project the advance amount was repaid by the appellant to CMRL, intimating this to the respondent and requesting them to refund the said payment as it had already encashed the cheque for advance payment. On default, the appellant filed an application under section 9 of the Code against the respondent which was admitted by AA. NCLAT reversed the decision of the AA. On appeal, SC observed that section 5(21) defines operational debt as a claim in respect of the provision of goods or services and, the operative requirement is that the claim must bear some nexus with a provision of goods or services, without specifying who is to be the supplier or receiver. Referring to its decision in *Pioneer Urban Land and Infrastructure Ltd. Vs. Union of India*, it observed that a debt which arises out of advance payment made to a CD for supply of goods or services would be considered as an operational debt. It set aside the order of NCLAT and held that the appellant is an operational creditor (OC) under the Code.

Amit Katyal Vs. Meera Ahuja and Ors. [Civil Appeal No. 3778 of 2020]

Three home buyers filed application under section 7 of the Code against the builder before the threshold on number of home buyers was brought into force by amendment to the Code. AA admitted the application on November 28, 2019. NCLAT upheld the admission order passed by AA. In appeal filed by the promoter, the admission order was stayed by SC. While the matter was pending before SC, the applicant home buyers filed another application before the SC praying for withdrawal of CIRP owing to the settlement reached between majority of the home buyers.

SC observed that if the original applicants and the majority of the home buyers are not permitted to close the CIRP, it would have a drastic consequence on the home buyers as there would be a moratorium under section 14 which would bar institution of fresh proceedings against the builder, including proceedings by home buyers for compensation due to delayed possession or refund. If the CIRP is successfully completed, the home buyers will be subjected to the pay outs provided in the resolution plan, since resolution plans provide for high percentage of haircuts in the

claims, the effect of such haircuts may be harsh and unjust on home buyers. If the CD goes into liquidation the home buyers being unsecured creditors stand to lose all their monies that are either hard earned and saved or borrowed at high rate of interest. It was also observed that the reason for introducing the threshold of at least 100 or 10% of the total home buyers of the same project to jointly file an application under section 7, was to tackle the problem of a single home buyer derailing the entire project by filing an insolvency application. SC observed that the object and purpose of the Code is not to kill the company and stop/stall the project, but to ensure that the business of the company runs as a going concern. Considering the peculiar facts and circumstances of the case, it allowed the withdrawal of CIRP proceedings by exercising its powers under Article 142 of the Constitution.

High Court

M/s. Tharakan Web Innovations Pvt. Ltd. Vs. National Company Law Tribunal Kochi Bench & Anr. [WP(C) No. 27636 of 2020 & WP(C) No. 14158 of 2021]

On the issue of applicability of default of threshold limit of ₹1 crore on or after March 24, 2020, Kerala HC held that the minimum amount of default is statutorily fixed, with power available to the Government to refix, upto a sum of ₹1 Crore and once the Government has exercised the said power by issuance of a notification fixing the minimum amount of default as ₹1 Crore, the section will have to be read by replacing the words one lakh rupees by rupees one crore. Once that is the position, the application of Part II itself is taken away with effect from March 24, 2020, as far as defaults less than ₹1 Crore are concerned and hence no application can be filed after March 24, 2020, regarding an amount where the default is less than ₹1 Crore.

National Company Law Appellate Tribunal

Kiran Shah Vs. Enforcement Directorate [Company Appeal (AT)(Insolvency) No. 817/2021]

The NCLAT observed that section 14 of the Code is not a hindrance for the authority and the officers under the Prevention of Money Laundering Act, 2002 (PMLA) to deny a person of the tainted proceeds of crime. PMLA is to fulfill the country's obligation in adhering to the United Nations Resolutions and in regard to assets/properties being the proceeds of crime, it takes a primacy and precedence over the Code. The purpose of the Code and PMLA even though at the first blush appear to be at logger heads, there is no repugnancy and inconsistency between them, in lieu of the fact the text, shape and its colour are conspicuously distinct and different, operating in their respective spheres. NCLAT held that filing of application under section 60(5) of the Code is not an all pervasive one, thereby conferring jurisdiction to an AA to determine any question/issue of priorities, question of law or facts pertaining to CD when in reality in law, the AA is not empowered to deal with the matters falling under the purview of another authority under PMLA.

M/s. Visisth Services Limited Vs. S. V. Ramani & Ors. [Company Appeal (AT) (Insolvency) No. 896 of 2020]

On the issue as to whether the successful bidder can withdraw from the bid after payment of the Earnest Money Deposit (EMD) and seek for refund of the amount paid on the ground that the offer made by the bidder was a 'conditional offer', NCLAT noted that by paying the EMD amount and accepting the bid, the successful bidder cannot say that it was not a concluded contract. The bidder is bound by the terms and conditions of the bid document and no communication to the liquidator stating that it is a conditional offer, is sustainable. If the bidder is allowed to withdraw from the bid at this stage and seek refund on the ground that their conditional offer has not been accepted, then the liquidation process would be a never ending one, defeating the scope and objective of the Code. The NCLAT dismissed the appeal, holding that the bidder cannot wriggle out of the contractual obligations arising out of acceptance of his bid and he cannot be entitled to the EMD amount, and the amount paid towards the bid purchase document, if he does not comply with the terms of the contract.

Srei Multiple Asset Investment Trust Vs. IDBI Bank Ltd. & Ors. [Company Appeal (AT) (Ins) No. 593 of 2020]

An appeal was filed against the order of AA that approved the resolution plan submitted by Arcelor Mittal India Private Limited (AMIPL), on the ground that AMIPL is the successful resolution applicant (SRA) of Essar Steel India Ltd. (ESIL) who is one of the shareholders of the CD, thereby making it ineligible to be a resolution applicant of CD under section 29A of the Code. NCLAT noted that AMIPL took over the management and control of ESIL on December 16, 2019, whereas the resolution plan with regard to the CD was submitted by AMIPL in November, 2019 which came to be approved by the CoC on December 6, 2019, i.e., prior to taking over the management and control of ESIL. NCLAT observed that the SRA who takes over the company as the going concern unless and otherwise declared as ineligible under the provisions of the Code cannot be treated as ineligible. NCLAT while dismissing the appeal, observed that section 29A(c) would not be applicable to resolution applicants who acquire a CD pursuant to a prior resolution plan approved under the Code.

Association of aggrieved Workmen of Jet Airways (India) Ltd. Vs. Jet Airways (India) Ltd. & Ors. [Company Appeal (AT) (Insolvency) No. 643 of 2021 & I.A. No. 1700 of 2021]

On the issue as to whether copy of NCLT approved resolution plan be provided to the workmen, NCLAT observed that scheme of the Code indicates that after resolution plan is approved by AA, it no longer remains a confidential document, so as to preclude Regulator and other persons from its access. It further observed that workmen who have challenged a resolution plan under section 61(3) of the Code is entitled to know the contents of the resolution plan to effectively prosecute its appeal. Resolution plan even though, is not a confidential document after its approval, cannot be made available to each and to anyone who has no genuine claim or interest in the process and, its access can be denied in proper and appropriate cases. NCLAT held that the appellant is entitled for the relevant part of the resolution plan relating to the claim of the workmen and employees and, directed the SRA to share it with the appellant.

63 Moons Technologies Limited formerly known as Financial Technologies (India) Ltd. Vs. The Administrator of Dewan Housing Finance Corporation Limited & Ors. [Company Appeals (AT) (Insolvency) No. 454, 455 and 750 of 2021]

The AA allowed the avoidance transaction application filed under section 66 holding that CoC has consciously decided that the money realised through the avoidance transactions would accrue to the members of the CoC and it has ascribed the value of ₹1 to fraudulent transactions, and if any positive money recovery is made, the same would go to the SRA. It held that: *"COC exercising its Commercial Wisdom have accepted, approved the Resolution Plan including the monies to be recovered if any from the Fraudulent Transactions. Therefore, we as Adjudicating Authority reluctant to substitute our wisdom at this stage as against their Commercial Wisdom of the CoC. Further by following the judicial precedents, discipline and various Judgements of the Hon'ble Supreme Court we restrain ourselves from interfering with the commercial decision of the CoC"*.

The NCLAT allowed the appeal and held that the CoC's decision to approve a resolution plan which contains such unlawful stipulations, is illegal making the plan unsustainable. The resolution plan was sent back to the CoC for reconsideration with the following observations:

- The Code does not have any provision restricting the resolution applicant to avail the benefits of avoidance proceedings initiated under section 66, but it can't be presumed that the Code authorises the resolution applicant for the same.
- The purpose of providing transactions and penalizing improper trading actions are primarily aimed at swelling the asset pool available for distribution to creditors and, the Code allows the AA to restore the position prior to such transaction or trading by *inter-alia* investing the recoveries with the CD.
- Any decision taken by the CoC which strikes at the very heart of the Code cannot simply be upheld under the garb of commercial wisdom.

- The CoC cannot countenance incorporating any term in the resolution plan which is contrary to the law or which otherwise makes the resolution plan illegal.
- The law does not permit CoC to exercise judicial function. There is a vast difference between the exercise of commercial wisdom during CIRP and the exercise of adjudicatory powers by the AA under the Code.

Dheeraj Wadhawan Vs. The Administrator, Dewan Housing Finance Corporation Limited [Company Appeal (AT) (Insolvency) No. 785 of 2020 & 647 of 2021]

Erstwhile directors/guarantor of DHFL filed an appeal against AA's order that disentitled them to attend the CoC meetings as member of the erstwhile Board of Directors. On the difference between the 'supersession of directors' under the RBI Act and the 'suspension of directors' under the Code, NCLAT observed that in 'supersession', the Board of Directors vacates their office and there is finality attached to it. The superseded directors who have been removed or deemed to have demitted office, are not holding the position of director on the CIRP commencement date and cannot be considered a director simpliciter to benefit from participating in the meeting of CoC. It further observed that *"after vacation or removal from the office of the Director, the said person cannot claim their entitlement to participate in the CoC of the Corporate Debtor. A removed Director from the Board of Directors cannot interfere in the Company's affairs per contra a suspended Director always remains on the Board."*

State Bank of India, Stressed Asset Management Branch Vs. Mahendra Kumar Jajodia, Personal Guarantor to Corporate Debtor [Company Appeal (AT) Insolvency No. 60 of 2022]*

The AA rejected an application filed against personal guarantor of the CD under section 95(1) of the Code on the ground that no CIRP or liquidation process is pending against the CD so as to maintain the said application within the provisions of section 60(2) before the AA. In appeal, NCLAT observed that, *"the use of words 'a' and 'such' before National Company Law Tribunal clearly indicates that Section 60(2) was applicable only when a CIRP or Liquidation Proceeding of a Corporate Debtor is pending before NCLT. The object is that when a CIRP or Liquidation Proceeding of a Corporate Debtor is pending before 'a' NCLT the application relating to Insolvency Process of a Corporate Guarantor or Personal Guarantor should be filed before the same NCLT. This was to avoid two different NCLT to take up CIRP of Corporate Guarantor... when CIRP or Liquidation Proceeding are not pending with regard to the Corporate Debtor there is no applicability of Section 60(2)".*

*Note: SC, vide its order dated March 21, 2022, has stayed the operation of this order.

Union Bank of India Vs. Mr Dinkar T. Venkatasubramanian, Resolution Professional of Amtek Auto Limited & Ors. [Company Appeal (AT) (Insolvency) No. 729 of 2020]

The AA rejected the application filed by FC for modification of the approved resolution plan that provided for a deduction of ₹ 34 crores, i.e., the amount paid to the vendors of the CD against the 'Letter of Credit Bank Guarantee' facility which continued during the CIRP period, under the instructions of the RP to keep the CD as a going concern, out of the distribution amount payable to the FC under the resolution plan. NCLAT observed that the phrase used in section 17(1)(d) of the Code that financial institution *"shall act on the instructions of the IRP"* does not mean that it authorises IRP/RP to compel the financial institution for maintaining the accounts of the CD to continue the non-fund based facility comforted by bank guarantee, and non-compliance with such instructions of RP cannot be considered a violation of section 17(1)(d) of the Code. It directed that the said amount be treated as CIRP costs and should not be deducted out of the distribution amount payable to the FC under the resolution plan.

Mr. Vallal RCK Vs. M/s Siva Industries and Holdings Ltd (In Liquidation) & Anr. [Company Appeal (AT)(CH)(Insolvency) No. 211 & 212/2021]*

The NCLAT, in an appeal against AA's order rejecting the settlement proposal of promoter and ordering liquidation of the CD, noted that the promoter of the CD being ineligible to submit a resolution plan by virtue of section 29A of the Code had embarked upon the aspect of furnishing a

settlement proposal which is akin to a resolution plan. It further observed that if the CIRP is initiated, it cannot be set aside or withdrawn except for any illegality, to be exhibited or if it is without jurisdiction or for some other justiciable ground; and just because a promoter desires to pay all dues including the default amount, it cannot be a ground to set aside the CIRP. While concurring with the order of AA, NCLAT observed that projected settlement proposal plan of the promoter is not a settlement simpliciter as envisaged under section 12A of the Code rather it is a business restructuring plan. It upheld the liquidation order of the AA.

*Note: SC vide its order dated March 11, 2022 has stayed the operation of this order.

Mrs. Nidhi Rekhan Vs. M/s. Samyak Projects Private Limited [Company Appeal (AT) (Ins) No. 1035 of 2020]

The AA rejected section 7 application holding that appellant who in pursuance of an agreement invested certain sums in return of flats and an assured return of 24% per annum with absolute discretion to cancel or rescind the allotment of flats booked through the agreement, is not a FC under the Code. On appeal, NCLAT observed that the said agreement did not have the necessary elements of a builder-buyer agreement, but it is an agreement which is more in the nature of detailing and protecting an investment made by the appellant. It further observed that the status of FC cannot be provided to a person who, in the garb of an allottee comes in the project as a speculative investor and for no reason cancels the allotment. Upholding the order of AA, it held that the appellant, who is a speculative investor, cannot claim status and benefits as FC under explanation (i) of section 5(8)(f) of the Code.

Union Bank of India Vs. Mr. Kapil Wadhawan & Ors., [Company Appeal (AT) (Insolvency) 370, 376-377 & 393 of 2021]

The issue before the NCLAT was as to whether after approval of the resolution plan by the CoC and pending AA's approval, the AA can direct the CoC to convene a meeting and place the settlement proposal for consideration. NCLAT while relying on the ratio of the SC's judgment in *Ebix Singapore Private Limited Vs. Committee of Creditors of Educomp Solutions Ltd.*, observed that there was no scope for negotiations between the parties once the CoC has approved the resolution plan. The contractual principles and common law remedies, which do not find a rope in the wording or the intent of the Code, cannot be imported in the intervening period between the acceptance of the CoC approved resolution plan and the approval by the AA. It further observed that once the requirements of the Code have been fulfilled, the AA and the NCLAT are duty-bound to abide by the discipline of the statutory provisions and they do not have an unchartered jurisdiction in equity.

Ravi Iron Ltd. Vs. Jia Lal Kishori Lal & Ors. [Comp. App. (AT)(Ins.) No.122 of 2022]

The issue for consideration was whether the mediation order and post-dated cheque can extend the date of limitation for filing an application by an OC under the Code. In this case, the appellant had filed an application under section 9 mentioning the date of default as January 10, 2008. AA dismissed the application on the grounds of limitation. In appeal the appellant claimed that although the date of default was mentioned as January 10, 2008 in the application under section 9 but there was District Court Mediation on November 16, 2015 wherein the Respondent accepted their liability and the post-dated cheques issued were also dishonored. Last cheque was dishonored on December 31, 2016. Hence, the application filed was within time. NCLAT, while dismissing the appeal, observed that *"the purpose of mediation order and post-dated cheques are different and the fact that the cheques were dishonoured may give right to the appellant to take appropriate proceedings but that shall not give extension of the limitation for the appellant under section 9 of the code to make it within time."*

Amit Arora Vs. Tourism Finance Corporation of India & Anr. [Company Appeal (AT) (Insolvency) No.60 of 2021]

The issue, whether a right to convert the outstanding debts into equity is available to the FC in terms of loan agreements came up for consideration in this case. NCLAT upheld the order of AA and observed that the lenders shall have the right to convert the outstanding amount into fully paid equity

shares in accordance with the loan agreement. Thus, the FC has chosen to exercise its rights under the Code in the event of default in repayment which is certainly permissible in law.

Jet Aircraft Maintenance Engineers Welfare Association Vs. Shri Ashish Chhawchharia Resolution Professional for Jet Airways (India) Ltd. & Ors. [Company Appeal (AT) (Insolvency) No. 628 of 2020]

The AA had allowed the sale of CD's encumbered immovable non-core asset during the moratorium period to generate the cash flow required for obtaining the title of six aircrafts that were taken by CD on financial lease. On sale of the encumbered property, the secured creditor relinquished its charge on payment of its dues. The grounds of challenge before NCLAT was that the injunction in section 14 is mandatory and there is no discretion vested with AA. NCLAT observed that prohibition in transferring the assets of the CD is on the CD and the said prohibition ipso-facto does not prohibit RP or CoC, who are empowered by specific provision of the Code to undertake any such sale. It also observed that despite declaration of moratorium under section 14(1)(b), the RP is empowered to conduct sale of unencumbered assets, if he is of the opinion that it is necessary for better realization of the value. The decision of RP to proceed with the sale after CoC's approval was permissible and was not interjected by virtue of declaration of moratorium under section 14(1)(b). It further held that due to provision under section 14(1)(c), secured creditor could not have realized its dues during ongoing CIRP, but since the resolution plan is approved, NCLAT declined to reverse the transaction at this stage.

Standard Surfa Chem India Pvt. Ltd. (formerly known as M/s Portia Ventures Private Limited) Vs. Kishore Gopal Somani, The Liquidator of Advanced Surfactants India Ltd. [Company Appeal (AT) (Insolvency) No.684 of 2021]

The AA and the Liquidator had refused to grant extension of time for payment to the successful bidder in view of timeline specified in regulation 47A of the Liquidation Regulations. The issue for determination was as to whether the appellant is entitled to the exclusion of time during period of lockdown due to COVID-19. NCLAT while setting aside the order of AA held that regulation 47A of Liquidation Regulations deals with the model timeline for liquidation process. It is only directory in nature and cannot be considered a deadline. In exceptional circumstances, such a time limit can be extended.

Ashish Chaturvedi & Anr. Vs. Inox Leisure Limited & Ors. [Company Appeal (AT) (Insolvency) No. 1103 of 2020]

The AA imposed a penalty of ₹ 5 lakh on each of the two ex-directors under the provisions of the Companies Act, 2013 for withdrawal of ₹ 32 lakh during moratorium and non-cooperation by them. NCLAT remanded the matter back to the AA for taking a decision under the provisions of the Code after giving an opportunity to the appellant to present their case and giving due consideration of the facts of the case. It also held that the penalty can be imposed only under Chapter VII of the Code under which officers of the CD can be penalized and not under the Companies Act, 2013.

Dr. Periasamy Palani Gounder Vs. Mr Radhakrishnan Dharmarajan Resolution Professional, Appu Hotels Limited & Anr. [Company Appeals (AT) (CH)(Insolvency) No.164, 176, 218 & 219 of 2021]

The NCLAT observed that statutory requirements in regulating a matter of practice and procedure are mandatory and that the resolution plan approved by AA is in contravention of section 30 (2) of the Code. It made following observations:

- Valuers appointed by IRP did not physically verify the CD's assets despite regulation 35 (1) (a) of the CIRP Regulations mandates that the estimated fair value and liquidation value shall be computed after physical verification of the assets of the CD.
- A valuation consisting of mere naked values without a detailed report is not valid. The existence of a valid and accurate valuation report is a *sine qua non* for the CoC to exercise its commercial wisdom.
- Approved resolution plan discriminates between related party unsecured FC and other unsecured FCs, likewise related party OCs and other OCs.

- Submission of the revised resolution plan for approval before the AA without CoC's approval violates the statutory provision of section 30(2) and (3) of the Code and has vitiated the entire CIRP and made the resolution plan void ab initio.
- Regulation 36(2) of CIRP Regulations provides the mandatory condition for publication of 'Form-G' on the CD's website and the website designated by the Board for the purpose. Non-publication of notices of Form G is a material irregularity in exercise of the powers by RP during the CIRP period.
- The related party FC or OC cannot be discriminated under the resolution plan, denying their right to get payments under the resolution plan only on being a related party. By getting only payment under the resolution plan, related party creditors could in no way sabotage the CIRP.

Sumit Bansal, Insolvency Professional Vs. Committee of Creditors of JP Engineers Pvt. Ltd. & Ors., [Comp. App. (AT) (Ins.) No. 160 of 2022]

IP filed appeal claiming that IBBI has no jurisdiction and AA ought not to have sought recommendations of IBBI on the professional fee of IP. NCLAT observed that "IBBI is fully clothed with jurisdiction to regulate payment of remuneration of RP and IRP both by framing regulation or by issuing executive instructions till regulation are not framed can regulate the subject"... "The mere fact that IBBI has been asked to submit its recommendations by the AA, in the present case, there is no reason to question the jurisdiction of IBBI to submit a recommendation. The recommendations may be helpful to determine the issue in accordance with guidelines and circulars issued by the IBBI in this respect, if any."

Mukesh N. Desai Vs. Piyush Patel & Ors. [Company Appeal (AT) (Insolvency) No. 780 of 2020]

The issue for consideration before NCLAT was whether a landowner intending to share profits emanating from the agreed venture, by way of an MoU, would fall within the ambit of the definition of 'financial creditor' under section 5(8) of the Code. AA observed that the amount paid by appellant had no time value of money by way of interest or repayable along with interest, as the amount was paid towards development and construction of the project and in return he is entitled to get 25 percent out of the net profit, as reflected in the MoU. NCLAT upheld the order of AA holding that section 7 application filed under the Code would not be maintainable as there is no sum(s) i.e., owed, assigned or transferred to in compliance of the provisions of section 5(8) of the Code.

Vikram Puri (Suspended Director) & Anr. Vs. Universal Buildwell Private Limited & Anr. [Company Appeal (AT) (Insolvency) No. 1018 of 2021]

The issue was whether the AA while exercising jurisdiction under the Code is empowered to issue non-bailable warrant against any person or party. NCLAT observed that the provision of rule 77 of the NCLAT Rules, 2016 read with Order XVI Rule 10 of Civil Procedure Code, 1908 fully empowers the AA to issue a non-bailable warrant for enforcing attendance of a person. It further observed that the proceedings under the Code are proceedings of special nature and AA is empowered to take appropriate measures for ensuring compliance of the provisions of the Code and for ensuring that all personnel extend co-operation to IRP/RP.

M/s. G.L. Engineering Industries Pvt. Ltd. Vs. Supreme Engineering Ltd. [Company Appeal (AT) (Insolvency) No. 431 of 2021]

The AA had dismissed a section 9 application due to insufficiency of documents to establish any outstanding operational debt. Further, it observed that dishonor of cheques is a subject matter of the Negotiable Instruments Act, 1881 (NI Act) and does not relate to any outstanding amount due from the respondent by way of any operational debt. NCLAT, while dismissing the appeal, observed that the journal entries not supported by any other additional evidence cannot be 'solely' relied upon to prove that the amount claimed arises out of 'supply of goods and services' to fall within the ambit of operational debt under section 5(21) of the Code. Further, the dishonor of cheques is a subject matter of the NI Act and recovery of these amounts cannot be said to be paid towards the supply of goods and services, specifically in the light of the absence of any such agreement or invoices to that effect.

M/s. Brand Realty Services Ltd. Vs. M/s. Sir John Bakeries India Pvt. Ltd. [Company Appeal (AT) (Insolvency) No. 958 of 2020]

The issue for consideration was whether the CD is precluded to raise the issue of pre-existing dispute before the AA, in case CD failed to submit reply within 10 days from the receipt of the notice under section 8 of the Code. NCLAT observed that the statutory scheme under section 8 and 9 does not indicate that in an event reply to notice is not filed within 10 days by CD or no reply under section 8(1) has been given, the CD is precluded from raising the question of dispute. It also observed that section 9(5)(ii) provides that the AA can reject the application if- "*notice of dispute has been received by the Operational Creditor or there is a record of dispute in the information utility*". The record of dispute in the IU can very well be pointed out by the CD before the AA when notice is issued under section 9 as well as in its reply to the application to indicate that there are pre-existing disputes in existence prior to issuance of demand notice.

Sikander Singh Jamuwal Vs. Vinay Talwar and Ors., [Company Appeal(AT) (Ins)No. 483 of 2019]

The issues for consideration before NCLAT were whether the provident fund dues (PF dues) are the assets of the CD and whether there is any conflict between the provisions of the Employees Provident Funds and Miscellaneous Provident Fund Act, 1952 and the Code. The ex-employees had challenged the order of AA approving the resolution plan of CD *inter alia* on the ground that the resolution plan is discriminatory as it fails to consider the payment of PF dues as computed by the Assistant Provident Fund Commissioner which was ₹1,35,06,391/-; whereas the provision of ₹78 lakh only was made in the approved resolution plan. NCLAT referred to section 17-B of the Employees Provident Funds and Miscellaneous Act, 1952, and directed that the resolution applicant is liable to pay the contribution and other sums due from the employer under any provisions of the said Act for the period up to the date of such transfer. This aspect is justiciable as a duty has been casted on the RP/AA/ NCLAT and it is not a commercial wisdom as compliance of law is a must. It was further observed that PF dues are not the assets of the CD as amply made clear by the provisions of section 36(4)(a)(iii) of the Code and that there is no conflict between the provisions of both the Acts.

Ramesh Kumar Chaudhary & Anr. Vs. Anju Agarwal & Ors. [Company Appeal (AT) (Insolvency) No. 957 of 2021]

In this case, a scheme of compromise or arrangement (Scheme) under section 230 of the Companies Act, 2013 was filed, however, the Stakeholders Consultation Committee (SCC) had not accepted the Scheme. The Liquidator treating herself absolved from consideration of the Scheme proceeded with the e-auction of the assets of the CD. The AA directed the Liquidator to consider the Scheme and that no further steps be taken with regard to the auction of the assets of the CD. On appeal, NCLAT made some important observations in the factual context of the case:

- The action of the Liquidator in placing the Scheme before the SCC was uncalled for and is not in accordance with the provisions of the Code and the Regulations.
- The SCC was not a competent forum for obtaining any advice with regard to scheme of compromise or arrangement submitted under section 230 of the Companies Act, 2013.
- When an advice of rejection of the Scheme is not by 66%, there was no question of following the said advice of the SCC by the Liquidator and act of Liquidator in relying on the said advice amounts to abdication of her own duty to consider the Scheme and shield herself on misconception of law rejecting the Scheme.
- Under sub-regulation (9) of Regulation 31A, SCC shall advise the Liquidator by a vote of not less than 66% of the representative of the consultation committee, present and voting. Thus, percentage has to be computed on the members of the SCC present and voting and not from value of claims of the FC.
- Obligation to obtain the consent of 75% of the creditors is on the person who proposes the Scheme.

NCLAT concluded that there was neither any consideration of the Scheme nor there is any valid reason for rejecting the Scheme by the Liquidator. The consequential action, after rejection of the Scheme, to proceed with the auction is unsustainable since the decision to proceed with auction was consequent to rejection of the Scheme which was contrary to the statutory scheme and statutory requirements

M/s. Adriatic Sea Foods Pvt. Ltd. Vs. Suresh Kumar Jain [Company Appeal (AT) (Insolvency) No. 1057 of 2021]

NCLAT, on an appeal filed by a purchaser of property against the order of AA by which a sale transaction was reversed as the same was a preferential and undervalued one, observed that fact of pendency of application under section 25 read with section 60(5) for declaration of sale deed as null and void, will have no bearing on application filed under section 43 and 45 of the Code. NCLAT, dismissing the appeal, noted that the possession of the property was handed over to the appellant by the CD at meagre payment of ₹ 25 Lakh for which NOC was issued by the mortgagee bank for sale of an amount of not less than ₹17.86 crore, this indicates that it was a preferential transaction as well as undervalued transaction. Further noted that the AA itself has not directed for cancellation of the sale rather cancellation of sale deed was inferred on account of non-payment of balance consideration and entry made by the Bank in its books of accounts. It was directed that the possession of the property be handed over to the RP. The contention of the purchaser that since an application filed by RP for declaring the transaction void is pending, the AA could not have issued any direction, was not conceded.

M/s. Radico Trading Ltd. Vs. Tarun Batra (Insolvency Professional) & Ors. [Comp. App. (AT) (Insolvency) No. 139 of 2022]

NCLAT on the issue whether there has to be a mandatory appointment of an expert by the AA in applications filed under section 46(1) of the Code, held that it is not necessary to appoint expert for all applications filed under section 46(1) of the Code. The appellant being purchaser of property challenged the order stating that the appellant was a *bona fide* purchaser for value and transactions, which have been declared undervalued. The CD had transferred its fixed assets just before the initiation of CIRP by the way of book entries. It was revealed that the directors of the CD were aware of the fact that CIRP application is pending against CD. It was observed that the book value of the machinery stood at ₹ 1.56 crore whereas the sale of the plant and machinery was for ₹ 21 lakh and which is clearly undervalued transaction. While dismissing the appeal, NCLAT held that the appellant was in fact the beneficiary of the undervalued transaction.

Mukul Agarwal Vs. Royale Resinex Pvt. Ltd. & Anr. [Company Appeal (AT) (Insolvency) No. 777 of 2020]

Suspended director of CD challenged the admission order passed by AA, *inter alia* on the grounds that the CD is a going concern having a good turnover and that there is no operational debt due on the CD as the application is based on a decree passed by a civil court. NCLAT observed that "*the mere fact that when the Corporate Debtor did not pay the amount, suit for recovery was filed in the year 2016 by the Operational Creditor, which was also Decreed, does not in any manner effect the transaction out of which the amount fell due. The fact that amount was adjudicated and a Decree was passed, in no manner take away the nature of 'operational debt'*". It held that OC is entitled to invoke section 9, and the application filed by OC cannot be said to be non-maintainable on the ground that CD is a going concern.

National Company Law Tribunal

Anil Vora HUF Vs. Kavya Build-Con Private Limited [CP(IB) No.2076/NCLT/MB-IV/2019]

In this case, an OC filed an application under section 9 of the Code, seeking initiation of CIRP against the CD on the ground that the CD had failed to make payment of ₹ 75,00,000/- to the applicant under the retirement deed between the applicant and the partnership firm i.e., Kavya KCD Developers. The CD was also a partner in the partnership firm. The question which arose before AA was whether the retirement amount arising out of the agreement with the partnership firm constitutes the operational debt. AA held that "*even the liability of the Corporate Debtor is*

proved in all aspect, the IBC does not protect the interest or claim of the Partner against another Partner or the Firm". It further observed that the OC may be liable to the claims against the CD not under the Code but under any other law which provides the remedy to OC.

CBRE South Asia Private Limited Vs. M/s. United Concepts and Solutions Private Limited [(IB)-797(ND)2021]

An application was filed under section 9 of the Code, whereby the applicant had claimed a total amount of ₹ 1,39,84,400/- as operational debt, out of which ₹ 88,50,886/- was the principal amount and ₹ 51,33,514/- was the interest. AA observed that, interest can be claimed as 'financial debt', but neither there is any provision nor there is any scope to include the interest to constitute as the 'operational debt'. It held that the interest amount cannot be clubbed with the principal amount of debt to arrive at the minimum threshold of ₹ 1 crore for complying with the provision of section 4 of the Code.

Bank of India Vs. Agnipa Energo Pvt. Ltd. [IA No. 10 of 2021 in CP (IB) No. 37-GB-2019]

AA observed that it is neither commercial wisdom nor a commercial decision of the CoC/FC to reject a resolution plan which offers to them an amount of twenty times more than the liquidation value. It rejected the prayer made by the RP for liquidation of the CD and directed the RP/CoC to start afresh CIRP, and to find out a viable resolution plan within the stipulated timeline under the Code.

Bank of Baroda Vs. Ms. Divya Jalan [CP (IB) No. 363/KB/2021]

The question, as to whether the FC is entitled to recover dues of the CD from the legal heirs of the PG was considered by AA. AA observed that when a section 95 application is filed, the assets of the PG is hit by moratorium and if the legal heirs of the deceased PG are put into the shoes of the PG, then their personal assets will also get automatically hit by moratorium, which will cause grave prejudice to the rights of the third party. There is no provision in the Code which envisages the concept of legal heirs stepping into the shoes of the deceased PG. It further observed that the legislature is very much clear in defining the term 'personal guarantor', as the Code talks about the estate/assets of the PG only and the definition does not include the legal heirs. The petition was dismissed holding that the petitioner FC can take appropriate steps to recover the guaranteed amount from the assets/estates of the deceased PG rather than the personal assets of the legal heirs of the PG.

Laxmi Kantha Rao Thota Vs. IRIS Electro Optics Pvt Ltd. [IA 785, 857&858/2019 & IA 72,193&629/2020 CP(IB) No.181/7/HDB/2019]

Bank of India, one of the FCs of the CD filed an application that *inter-alia* sought recalling of the admission order passed by AA with respect to the CD. Bank of India alleged that allotment of 36.05% of the voting share in CoC to 3rd respondent (another FC of CD) was illegal as his wife was a director of the CD. AA noted that the long-standing business as well as the matrimonial relationship between the 3rd respondent and the director of the CD has enabled them to indulge in commercial contrivances to seek entry into the CoC and control the CoC and thus, unfairly benefit the CD and jeopardise the pending recovery process. It further observed that the real intention of the 3rd respondent behind filing the petition is not resolution of insolvency, but to take shelter/undue advantage under the shield of moratorium, and to gain entry into CoC, jeopardize/dodge the lawful measures initiated by the applicant bank, for recovery of public money lent to the CD where his wife is a director. AA further observed that RP acted at the behest of the 3rd respondent who was the applicant in the main petition. In light of the above, it was held that respondent no. 3 is a related party to the CD, and he is debarred from any right of representation in the CoC. AA while recalling its admission order, imposed a penalty of ₹ 1 crore on the 3rd respondent, under section 65 of the Code for initiating CIRP fraudulently and with malicious intent.

Shapoorji Pallonji Finance Private Limited Vs. Rekha Singh [IA No. 229/JPR/2021 In CP No. (IB) 25/95/JPR/2021]

The issue that came up before AA was, whether insolvency resolution process can be initiated against the PG of a NBFC / Financial Service

Provider (FiSP) before initiation and/or irrespective of CIRP against the NBFC? AA observed that for initiation of insolvency resolution and liquidation proceedings, the asset size of the NBFC should be ₹ 500 crore or more, as per last audited balance sheet. It further observed that insolvency resolution process(es) can be initiated against the PG(s) of a NBFC / FiSP irrespective of CIRP against the NBFC, provided that the concerned NBFC falls within the category of those FiSPs having assets size of ₹ 500 crore or more, thus being included in the definition of CD under Code. AA held that the asset size as per last audited balance sheet of the principal borrower is less than ₹ 500 crore, it is therefore, excluded from the ambit of the FiSP. Further, the principal borrower does not *stricto sensu* qualify within the tight definition of 'corporate person' under the Code, as the said definition excludes FiSP. Hence, such principal borrower does not qualify as a CD.

Sarvesh Kashyap, as Liquidator of Komorebi Exports Pvt Ltd Vs. Bank of India (Sole Member of Committee of Creditors) [IA No.05/ALD/2021 in CP (IB) No.344/ALD/2018]

On an application filed by liquidator that sought directions against the CoC to release the CIRP cost and the liquidation cost, AA observed that, *"We are pained to note that in many cases, the creditors sitting on the CoC and on the Stakeholders Consultation Committee do not loosen their purse strings easily to meet even the bare minimum CIRP costs. In the vast majority of the cases, the insolvency professional and the professional team assembled by him for various activities have to wait for months on end to get reimbursements or their fee, even after the CoC had already approved incurring the expense in question. After patiently waiting for several months, the desperate and hapless insolvency professional is constrained to knock on the doors of the Adjudicating Authority for his basic fee and expenses, again entailing a legal cost which could have been avoided had the fee been paid on time...The time spent in such matters can be more profitably utilised by the Adjudicating Authority in determining questions that really require some application of mind and interpretation of the various provisions, instead of on issuing directions in matters that ought not to have crossed into the courthouse in the first instance. Delay defeats the very purpose of the IBC".* AA suggested that IBBI may consider issuing appropriate instructions to the banks in this regard.

Punjab National Bank Vs. Saptarishi Hotels Pvt Ltd [IA (IBC) 200/2022 in CP(IB) No. 599/7/HDB/2019]

On an application filed by the RP seeking extension of CIRP for 60 days *inter alia* awaiting CD's renewal of lease of immovable property by the State Government for a further period of 33 years, AA noted that the CoC instead of rejecting the conditional resolution plans submitted by the PRAs is rigorously pursuing their cause by seeking exclusion and extension of time. It also observed that since the plans of PRAs were conditional, the RP ought to have insisted the PRAs to make their plans unconditional and ought to have not included them in eligible prospective PRAs. Further, both CoC and the RP have actively indulged in not only promoting free negotiation of the terms of the resolution plan put forth by the parties/PRAs but also seeking time to fulfil the contractual terms dictated by the PRAs, in utter disregard of the CIRP Regulations, and the intent of the Code. It further observed that time bound resolution is the prime aim and objective of the Code and the members of CoC and RP are responsible for the loss of time prescribed under the Code.

Debt Recovery Tribunal

State Bank of India and Ors. Vs. Mr. Prashant S. Ruia & Anr. [IA No. 106 of 2020 in Original Application No. 650 of 2018]

The issue which came for consideration before Debt Recovery Tribunal (DRT) was on jurisdiction and maintainability of the Original Application filed by the applicant banks under section 19 of the Recovery of Debts and Bankruptcy Act, 1993 seeking recovery of debts, by invoking the personal guarantees executed by the promoter/directors in favour of the applicant bank. The key issues before DRT were as follows: -

- Having assigned the "debt" as defined u/s 2(g) of the Recovery of Debts and Bankruptcy Act, 1993, for valuable consideration, as part of the resolution plan under the Code, is the Original Application maintainable?

- Having relinquished its rights and/or entitlement to pro-rata receive the cash balance (profit) earned by the principal borrower i.e. Essar Steel India Limited (ESIL), are the defendants discharged of their liability under the personal guarantees?
- Whether in absence of the existence of jurisdictional fact, namely, “debt” as defined in section 2(g) of the Recovery of Debts and Bankruptcy Act, 1993, either on account of assignment and/or extinguishment and/or discharge by relinquishment, does DRT has the jurisdiction to entertain the Original Application?

Referring to the ratio laid down in “Lalit Kumar Jain’s case”, and also the deed of guarantee and the approved resolution plan, the DRT held that the secured FCs have assigned their entire ‘debt’ from ESIL to the successful resolution applicant i.e., ArcelorMittal India Private Limited (Arcelor) under the resolution plan and have also accepted the amounts paid to them by Arcelor in discharge of the total debt owed by the ESIL. Hence, the debt owed by the ESIL to the said FCs stood fully and finally satisfied. Accordingly, it was held that the Original Application does not survive as the cause of action for recovery of alleged debt of the FC has come to an end on assignment of the entire debt to the CD by FC in favour of Arcelor.

IBBI

Disciplinary Orders: The DC passed a few orders with a variety of directions for contraventions of the provisions of law.

Sl. No.	Order Against	Professional Member of	Contraventions found	Directions
1.	IIV India Registered Valuers Foundation, RVO	NA	Chairperson of Governing Board of the RVO is not an Independent Director.	RVO shall not enroll any new member for a period of six months.
2.	Mr. Anil Goel, IP	IIIP ICAI	No material non-compliance observed	No directions
3.	Mr. Mahesh Chand Agarwal, RV	IOVRVF	Concealment of material facts of chargesheet being filed against RV and non-cooperation with the Authority.	Cancellation of registration
4.	Ms. Esther Rani Jakkul, RV	IOVRVF	No material non-compliance observed	No directions
5.	Mr. Vishwanath Shridhar Prabhu, RV	IIV RVF	Pendency of the criminal proceeding against RV.	Suspending the registration as a registered valuer till exonerated of the charges.
6.	Ms. Rita Gupta, IP	IIIP ICAI	Withdrawal of money towards fee of IRP/RP without the approval of the CoC	Suspension for a period of 1 year.
7.	Mr. Umesh Garg, IP	IIIP ICAI	No material non-compliance observed	No directions
8.	Mr. Rajiv Chakraborty, IP	IIIP ICAI	Engaging two firms for the same task of identification of resolution applicant and eligibility under section 29A of the Code.	Arrange to refund pre-CIRP cost of ₹ 14,57,193/-in the account of CD. IP is suspended for a period of 1 year.

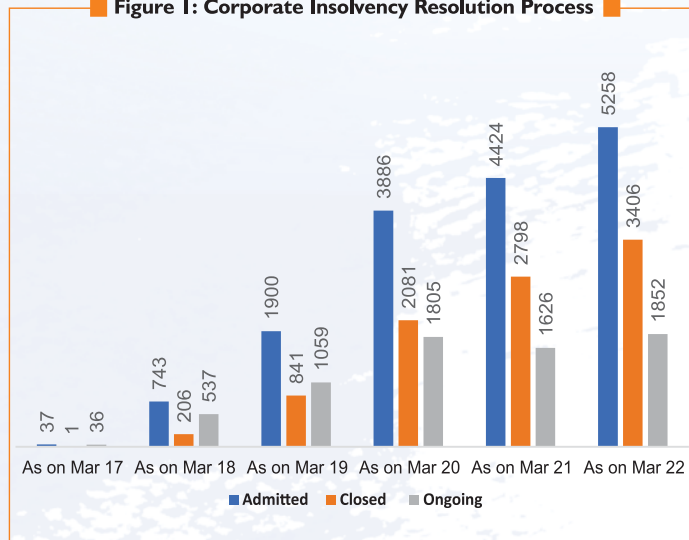
Corporate Processes

The data provided in this section regarding corporate processes is provisional, as it is getting revised on a continuous basis depending on the flow of updated information as received from IPs or the information in respect of process changes. For example, a process may ultimately yield an order for liquidation even after approval of resolution plan or may ultimately yield resolution plan even after an order for liquidation.

Insolvency Resolution

The provisions relating to CIRP came into force on December 1, 2016. Since then, a total of 5258 CIRPs have commenced by the end of March, 2022 as presented in Figure 1. Of these, 3406 have been closed. Of the CIRPs closed, 731 have been closed on appeal or review or settled; 586 have been withdrawn; 1609 have ended in orders for liquidation; and 480 have ended in approval of resolution plans (Figure 2). Sectoral distribution of CDs under CIRP is presented in Figures 3-6.

Figure 1: Corporate Insolvency Resolution Process



Note:

These CIRPs are in respect of 5119 CDs.

This excludes 1 CD which has moved directly from BIFR to resolution.

Source: Compilation from website of the NCLT and filing by IPs.

Figure 2: Mode of Closure of CIRPs

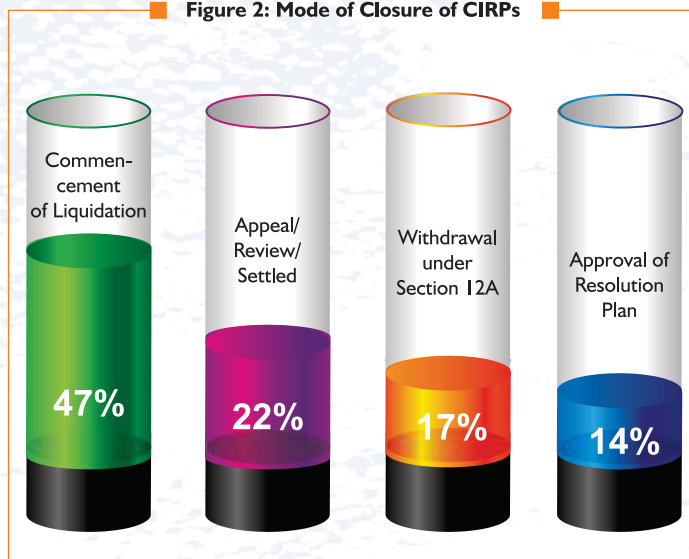


Figure 3: Sectoral Distribution of CIRPs: Admission

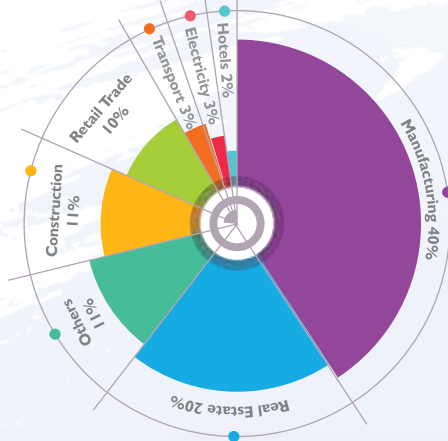


Figure 4: Sectoral Distribution of CIRPs: Appeal/Review/Settled/Withdrawn

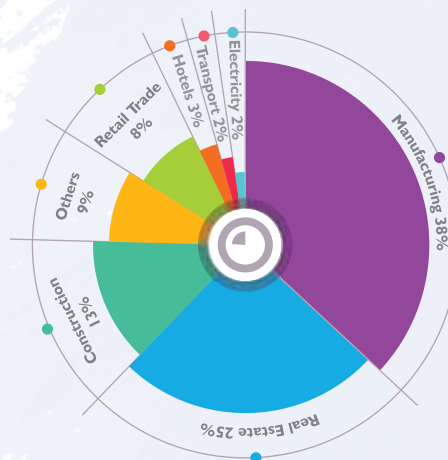


Figure 5: Sectoral Distribution of CIRPs: Resolution Plan

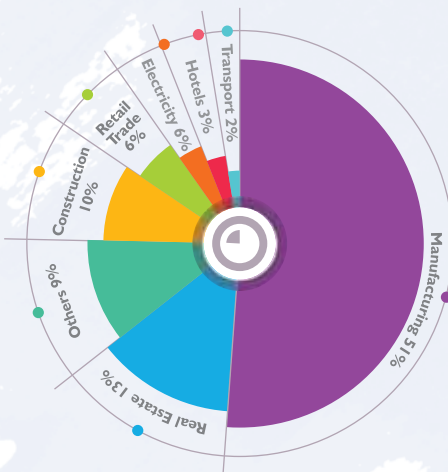
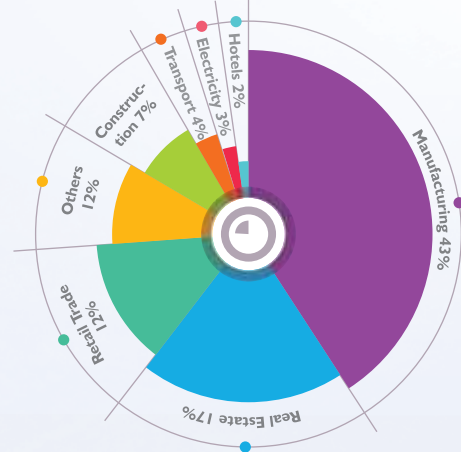
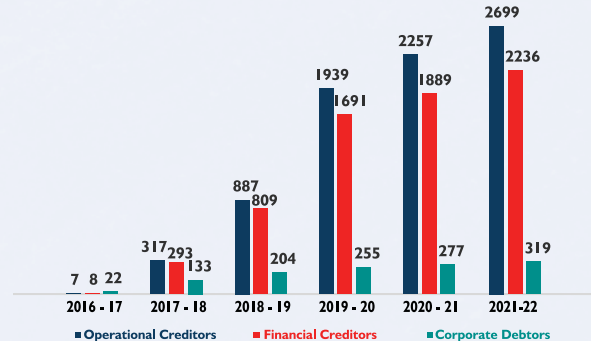


Figure 6: Sectoral Distribution of CIRPs: Commencement of Liquidation



The distribution of stakeholder-wise initiation of CIRPs is presented in Figure 7. OCs triggered 51.33% of the CIRPs, followed by 42.53% by FCs and remaining by the CDs. However, about 80% of CIRPs having an underlying default of less than ₹ 1 crore were initiated on applications by OCs while about 80% of CIRPs having an underlying default of more than ₹ 10 crore were initiated on applications by FCs. The share of CIRPs initiated by CD is declining over time. They usually initiate CIRPs with very high underlying defaults.

Figure 7: Stakeholder-wise Distribution and Trends of Initiation of CIRPs



Note: This excludes cases wherein applications filed by RBI were admitted u/s 227 of the Code.

The outcome of CIRPs, initiated stakeholder-wise, as on March 31, 2022 is presented in Figures 8-10. Of the closed, OC initiated CIRPs, about 52% of CIRPs were closed on appeal, review, or withdrawal. Such closures accounted for about 71% of all closures by appeal, review, or withdrawal.

Figure 8: Distribution of Closed CIRPs - Initiated by CDs

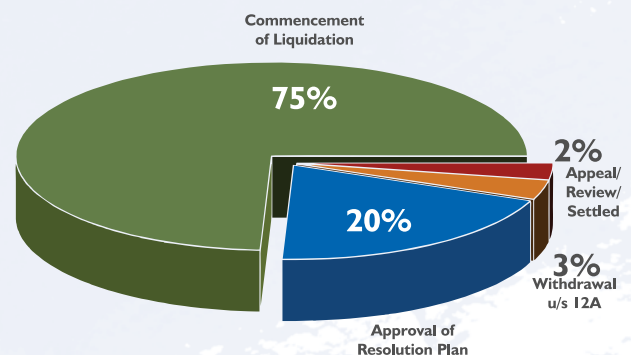


Figure 9: Distribution of Closed CIRPs - Initiated by FCs

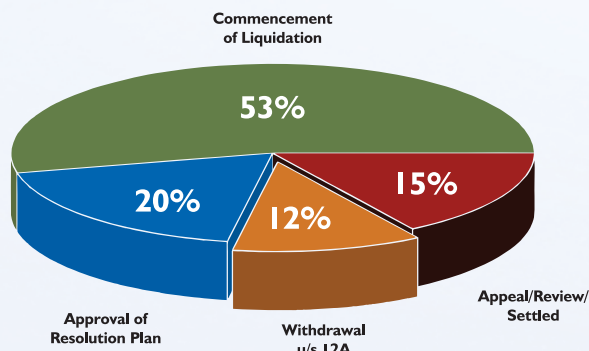
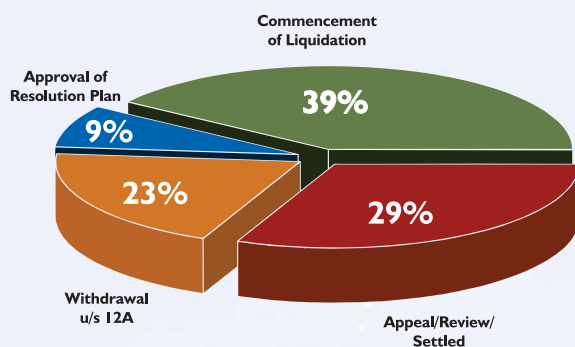
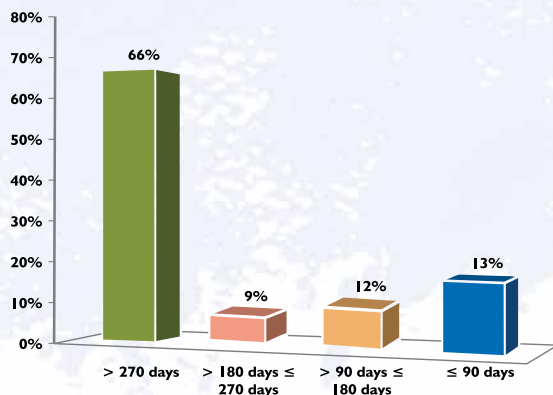


Figure 10: Distribution of Closed CIRPs - Initiated by OCs



The status of ongoing CIRPs as on March, 2022 in terms of time taken is presented in Figure 11

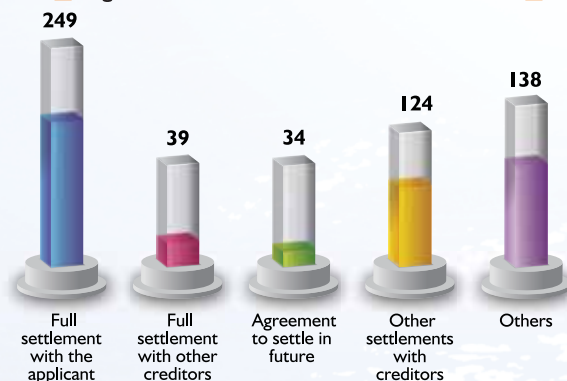
Figure 11: Timeline: Ongoing CIRPs



Withdrawals under Section 12A

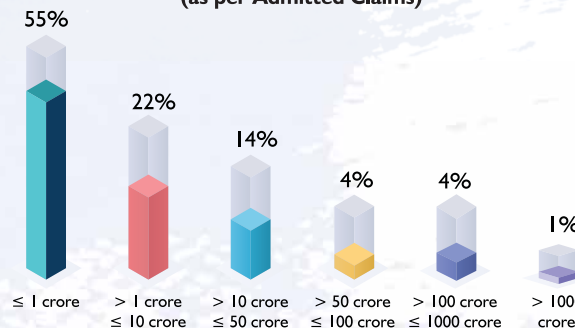
Till March 31, 2022, a total of 586 CIRPs have been withdrawn under section 12A of the Code. The reasons for withdrawal and distribution of claims in these CIRPs are presented in Figure 12 and 13. Almost three fourth of these CIRPs had claims of less than ₹ 10 crore.

Figure 12: Reasons for Withdrawal of CIRPs



Note: Data in 2 cases is awaited.

Figure 13: Distribution of CIRPs Withdrawn (as per Admitted Claims)

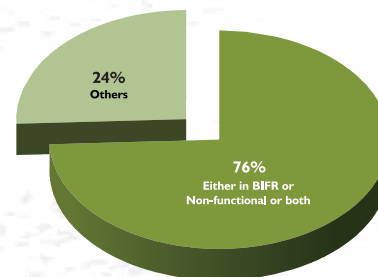


Note: Data awaited in 2 CIRPs.

Resolution Plans

About 47% of the CIRPs, which were closed, yielded orders for liquidation, as compared to 14% ending up with a resolution plan. However, 76% of the CIRPs ending in liquidation (1196 out of 1581 for which data are available) were earlier with Board for Industrial and Financial Reconstruction (BIFR) and/or defunct (Figure 14). The economic value in most of these CDs had almost completely eroded even before they were admitted into CIRP. These CDs had assets, on average, valued at less than 8% of the outstanding debt amount.

Figure 14: CIRPs ending with Order of Liquidation: State of CD at the Commencement of CIRP



Note:

1. There were 88 CIRPs, where CDs were in BIFR or non-functional but had resolution value higher than liquidation value.
2. Includes cases where no resolution plans were received and cases where liquidation value is zero or not estimated.
3. Data of 27 CIRPs is awaited.

Till December, 2021, 457 CIRPs had yielded resolution plans as presented in the last newsletter. 13 more CIRPs were later reported as yielding resolution plans during that period, as presented in Part A of Table I.

During January - March, 2022, 29 CIRPs yielded resolution plans with different degrees of realisation as compared to the liquidation value as presented in Part B of Table I. In 19 CIRPs which had yielded resolution earlier were ordered for liquidation or the resolution orders were set

aside. Till March 31, 2022, realisation by FCs under resolution plans in comparison to liquidation value is 171.39%, while the realisation by them in comparison to their claims is 32.89%. It is important to note that out of the 480 CDs rescued through resolution plans, 159 were in either BIFR or defunct.

Table I: CIRPs Yielding Resolution Plans

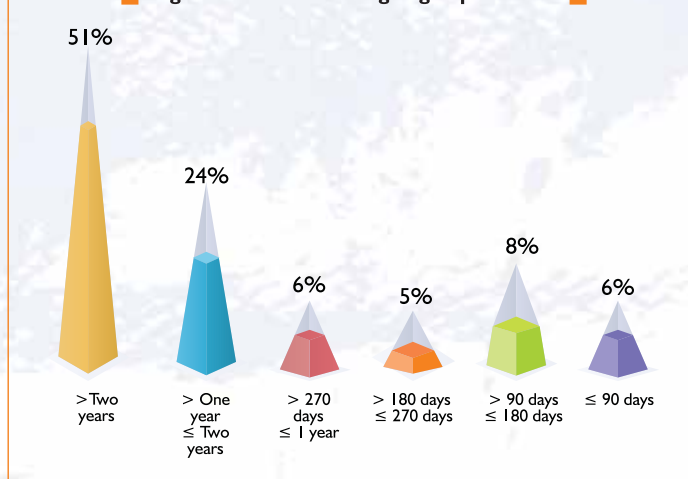
Sl. No.	Name of CD	Defunct (Yes/No)	Date of Commencement of CIRP	Date of Approval of Resolution Plan	CIRP initiated by	Amount (in ₹ crore)			Realisable by FCs as % of Admitted Claims	Realisable by FCs as % of Liquidation Value
						Admitted Claims of FCs	Liquidation Value	Realisable by FCs		
Part A: For Prior Period (Till December 31, 2021)										
1	Unnati Fortune Hotmart Private Limited	No	11-06-19	20-05-21	FC	50.22	26.70	31.26	62.25	117.09
2	Alekhyia Drugs Private Limited	No	11-12-19	03-09-21	OC	14.10	20.69	14.10	100.00	68.13
3	Universal Industrial Equipment and Technical Services Private Limited	No	18-12-19	07-10-21	OC	72.75	13.50	12.83	17.63	95.02
4	Exclusife Technosoft Private Limited	No	01-09-20	29-10-21	OC	6.81	1.96	0.00	0.06	0.19
5	S K Wheels Private Limited*	NA	29-03-19	09-11-21	FC	-	-	-	-	-
6	Goa Invescast Limited	Yes	04-07-19	09-11-21	OC	4.00	4.17	2.75	68.70	65.95
7	SPS Metal Cast and Alloys Limited	Yes	25-06-19	25-11-21	OC	754.92	10.85	11.75	1.56	108.29
8	Atlantic Projects Limited	No	15-10-19	25-11-21	FC	153.11	3.93	4.40	2.87	111.96
9	The National Sewing Thread Company Limited	No	29-08-19	06-12-21	FC	129.08	22.05	20.08	15.56	91.07
10	Shaifali Steels Limited	No	17-12-19	13-12-21	OC	104.89	6.59	7.75	7.39	117.60
11	Panacealife Healthzone Private Limited	No	03-09-20	14-12-21	FC	4.82	5.84	4.00	82.99	68.49
12	Ambient Computronics Private Limited	No	10-12-20	14-12-21	OC	0.00	0.41	0.00	NA	NA
13	Solo Metals Private Limited	Yes	17-12-19	24-12-21	OC	37.67	5.04	5.15	13.67	102.18
Part B: For January - March, 2022										
1	AP Gems and Jewellery Pack Private Limited	No	04-06-19	03-01-22	FC	57.69	91.35	25.00	43.33	27.37
2	Astonfield Solar (Gujarat) Private Limited	No	20-11-18	03-01-22	CD	78.08	28.77	24.5	31.38	85.15
3	Hail Tea Limited	No	21-01-20	03-01-22	OC	14.43	4.79	10.00	69.30	208.77
4	India Stuff yarn Limited	Yes	11-03-21	04-01-22	OC	0.00	0.00	0.00	NA	NA
5	Real Strips Limited	No	09-03-21	04-01-22	FC	95.04	83.01	77.10	81.12	92.88
6	COVIDH Technologies Limited	Yes	07-01-21	10-01-22	OC	0.00	0.01	0.00	NA	NA
7	S.V.E.C. Constructions Limited	Yes	08-01-21	10-01-22	FC	617.42	4.02	5.50	0.89	136.82
8	Narayani Steels Limited	No	24-03-21	11-01-22	FC	296.13	17.37	27.62	9.33	159.01
9	Cura Healthcare Private Limited	Yes	10-12-19	13-01-22	OC	16.01	9.93	8.50	53.09	85.60
10	Mather Projects Private Limited	No	30-11-18	18-01-22	FC	90.11	115.64	87.32	96.91	75.51
11	Vardhman Buildtech Private Limited*	NA	29-01-19	28-01-22	FC	-	-	-	-	-
12	Regen Powertech Private Limited	No	13-12-19	01-02-22	OC	1306.40	137.12	160.00	12.25	116.69
13	Shiva Medicare Limited	No	14-12-20	07-02-22	FC	1.92	0.00	0.69	35.91	468233.47
14	Jharkhand Mega Food Park Private Limited	No	10-01-20	10-02-22	FC	49.64	14.98	20.00	40.29	133.51
15	Utech Engineering Work (India) Private Limited	No	25-06-19	11-02-22	OC	13.61	2.75	12.00	88.17	436.36
16	Krishna Ferro Product Limited	Yes	04-10-19	15-02-22	OC	52.92	1.80	2.45	4.63	136.11
17	Coastal Oil & Gas Infrastructure Private Limited	Yes	26-02-21	16-02-22	FC	1197.85	36.47	36.63	3.06	100.44
18	Kariwala Designers Private Limited	Yes	24-10-19	17-02-22	OC	4.13	3.54	3.40	82.32	96.05
19	Ideal Energy Projects Limited	No	28-01-20	01-03-22	FC	3188.31	356.13	360.00	11.29	101.09
20	Tayal Foods Limited	Yes	03-10-19	02-03-22	FC	12.32	1.00	2.68	21.75	268.00
21	Om Besco Rail Products Limited	No	20-05-20	08-03-22	OC	68.12	29.97	28.84	42.34	96.23
22	Bartronics India Limited	No	02-12-19	10-03-22	FC	1041.95	24.59	25.00	2.40	101.67
23	Kanishkdeep Stock Consultants Private Limited	Yes	09-02-21	11-03-22	CD	NA	0.00	NA	NA	NA
24	Deegee Cotsyn Private Limited	No	26-02-19	11-03-22	FC	154.51	37.17	31.80	20.58	85.55
25	D Thakkar Construction Private Limited	No	27-03-19	14-03-22	OC	373.97	17.09	25.63	6.85	149.97
26	M Tech Developers Private Limited	No	12-11-20	15-03-22	FC	121.63	35.07	50.00	41.11	142.57
27	Kudos Chemie Limited	Yes	05-07-19	17-03-22	FC	3696.93	236.53	236.80	6.41	100.11
28	Trimurti Concast Private Limited	No	24-12-19	22-03-22	FC	25.79	10.66	10.75	41.68	100.84
29	Siva Ram Yarns Private Limited	No	15-11-19	23-03-22	OC	35.19	16.35	15.37	43.68	94.01
Total (January – March, 2022)						12610.11	1316.11	1287.58	10.21	97.83
Total (Till March, 2022)						684901.27	131447.95	225293.76	32.89	171.39

Note: * Data awaited

Liquidation

Till December, 2021, a total of 1514 CIRPs had yielded orders for liquidation, as presented in the previous Newsletter. 25 more CIRPs were later reported as yielding orders for liquidation during that period. During the quarter January - March, 2022, 70 CIRPs ended in orders for liquidation, taking the total CIRPs ending in liquidation to 1609, excluding 13 cases where liquidation orders have been set aside by NCLT / NCLAT / HC/ SC. Of these, final reports have been submitted in 328 cases. There are 1281 ongoing liquidation processes, whose status as on March 31, 2022 is presented in Figure 15.

Figure 15: Timeline: Ongoing Liquidations



Till December, 2021, 182 liquidation processes were closed by dissolution / going concern sale / compromise or arrangement as presented in the last newsletter. Dissolution / going concern sale / compromise or arrangement of five more CDs, which happened during the earlier period were reported later, as presented in Part A of Table 2.

Table 2: Details of Closed Liquidations

Sl. No.	Name of CD	Date of Order of Liquidation	Amount (in ₹ crore)				Date of Order of Dissolution /Closure
			Admitted Claims	Liquidation Value	Sale Proceeds	Distributed to Stakeholders	
	Part A: For Prior Period (Till December 31, 2021)						
1	Shashi Oils and Fats Private Limited	21-01-20	49.71	3.13	3.78	3.59	15-07-21
2	Raipur Polymers Private Limited***	10-08-21	8.74	0.98	1.39	1.22	14-12-21
3	Mahendrakumar Babulal Jewels Private Limited	17-09-19	24.19	NA	NA	NA	21-12-21
4	Sunder Agromills Private Limited*	23-12-21	22.27	NA	NA	NA	23-12-21
5	Kansal Building Solutions Private Limited**	06-02-20	26.49	13.00	14.08	14.03	24-12-21
	Part B: For January - March, 2022						
1	J.R.Diamond Private Limited	01-10-18	10.41	1.23	1.90	1.57	04-01-22
2	Pradeep Downhole Equipments Private Limited	20-09-19	0.67	0.03	0.03	NA	07-01-22
3	Nazar International Pvt. Ltd.***	20-07-21	42.76	4.88	5.50	5.08	13-01-22
4	Ada Cellworks Wireless Engineering Private Limited	18-02-20	1.33	0.15	0.09	NA	25-01-22
5	Sheth Metal Private Limited	07-01-19	148.24	2.93	4.31	4.00	31-01-22
6	Diabari Tea Co Ltd	11-03-20	76.90	NA	NA	NA	31-01-22
7	Servomax India Private Limited***	04-02-19	794.15	30.96	53.17	48.30	07-02-22
8	SBQ Steels Limited	14-02-19	4697.27	322.85	270.39	261.38	11-02-22
9	Marvel Crafts Private Limited	15-07-19	1.23	0.03	0.14	0.03	15-02-22
10	VHR Enterprises Limited	09-01-20	86.02	0.45	0.02	NA	17-02-22
11	Noesis Industries Limited	28-11-19	580.15	6.85	7.57	6.44	21-02-22
12	Vast Industries Private Limited	15-12-20	9.81	1.24	1.40	0.70	25-02-22
13	Shree Coke Manufacturing Company Private Limited	20-07-18	67.58	5.73	5.99	5.72	28-02-22
14	Goa Auto Accessories Limited	20-08-19	14.62	0.26	0.29	0.18	28-02-22
15	White & Brown Alloy Castings Private Limited	26-08-19	17.29	0.02	0.02	NA	28-02-22
16	Visa international Limited***	11-05-21	8143.17	8.82	9.22	8.38	03-03-22
17	BIW Fabricators Private Limited	22-11-19	32.92	7.56	6.69	6.02	09-03-22
18	Nova Steels (India) Limited	10-08-21	0.09	NA	NA	NA	15-03-22
19	Shree Saibaba Ispat (India) Private Limited	11-11-20	0.12	0	0	NA	16-03-22
20	Windsor Papers Private Limited	16-02-21	0.01	NA	NA	NA	16-03-22
21	Bhaskar Shrichi Alloys Ltd***	29-04-20	196.30	7.29	11.40	10.43	23-03-22
Total (January - March, 22)			14921.04	401.28	378.13	358.23	NA
Total (Till March, 22)			49161.99	1935.75	1876.08	1801.74	NA

Note:

* Direct Dissolution; Claims pertain to CIRP period.

** Compromise or arrangement under section 230 of the Companies Act, 2013.

*** Sale as a going concern

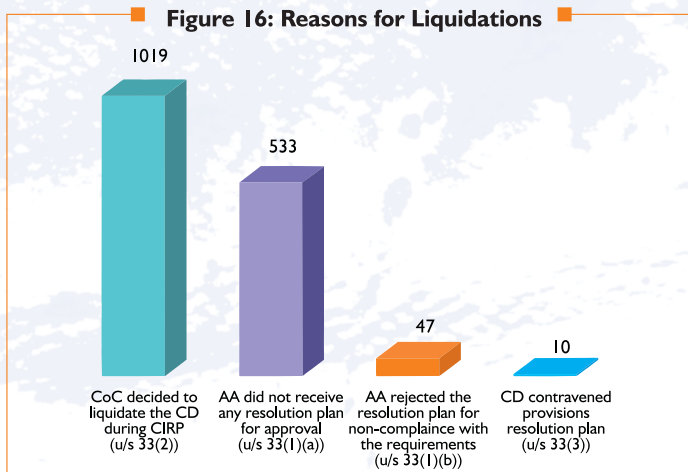
NA means Not realisable/ saleable or No asset left for liquidation or Not applicable.

'0' means an amount below two decimals.

Sale as Going Concern

Till March 31, 2022, thirteen CDs were closed by sale as a going concern under liquidation process. These thirteen CDs had claims amounting to ₹ 13,803.51 crore, as against the liquidation value of ₹ 372.26 crore. The liquidators in these cases realised ₹ 448.27 crore and companies were rescued.

The AA passes an order for liquidation under four circumstances. As on March 31, 2022, 1609 orders for commencement of liquidation have been passed. The details of liquidation in these circumstances are presented in Figure 16.



During January - March, 2022, 21 more liquidation processes were closed, taking total number of closures by dissolution / sale as going concern / compromise or arrangement to 208. The details of the same are presented in Table 2. At the end of March, 2022, 187 liquidations were closed by dissolution, 13 by going concern sale and 8 by compromise / arrangement.

Regulation 12 of the Liquidation Regulations requires the liquidator to make a public announcement calling upon stakeholders to submit their claims as on the liquidation commencement date (LCD), within 30 days from the LCD. The details of the claims admitted by the liquidators in 1437 liquidations, for which data are available, are presented in Table 3.

Table 3: Claims in Liquidation Process

Stakeholders under Section	Number of Claimants	Amount (in ₹ crore)			
		Admitted claims	Liquidation Value	Amount Realised	Distributed to Stakeholder
328 Liquidations where Final Report Submitted					
52	31	1408.38	178.86	187.14	185.23
53 (I) (a)	NA	NA	2625.15	2509.63#	135.27
53 (I) (b)	1794	56693.30			2275.22
53 (I) (c)	1339	57.84			1.86
53 (I) (d)	367	2887.98			41.91
53 (I) (e)	268	2726.22			13.29
53 (I) (f)	1613	2570.77			36.18
53 (I) (g)	0	0			0
53 (I) (h)	122	36.74			2.83
Total (A)	5534	66381.23	2804.01	2696.77#	2691.79
Ongoing 1109 Liquidations*					
53 (I) (a)	NA	NA	39279.05 **	NA	NA
53 (I) (b)	40099	594157.49			
53 (I) (c)	32422	1291.79			
53 (I) (d)	12945	139469.73			
53 (I) (e)	1312	35454.81			
53 (I) (f)	1981105	43742.71			
53 (I) (g)	19	357.58			
53 (I) (h)	106101	3576.86			
Total (B)	2174003	818050.97			
Grand Total (A+B)	2179537	884432.2	42083.06		

Note:

Inclusive of unclaimed proceeds of ₹ 4.98 crore under liquidation.

*Data for other liquidations are not available.

**Out of 1281 ongoing cases, liquidation values of only 1220 CDs are available. The aggregate liquidation value of 826 CDs estimated during liquidation process is ₹ 39279.05 crore and that of 394 CDs for which estimates made during CIRP is ₹ 9070.95 crore.

Avoidance Transactions

The Code read with Regulations require the RPs and Liquidators to file applications for avoidance of transactions, with the AA seeking appropriate directions. 777 applications seeking avoidance of transactions have been filed with the AA till March 31, 2022, as presented in Table 4.

Table 4: Details of avoidance applications and disposal Amount (in ₹ crore)

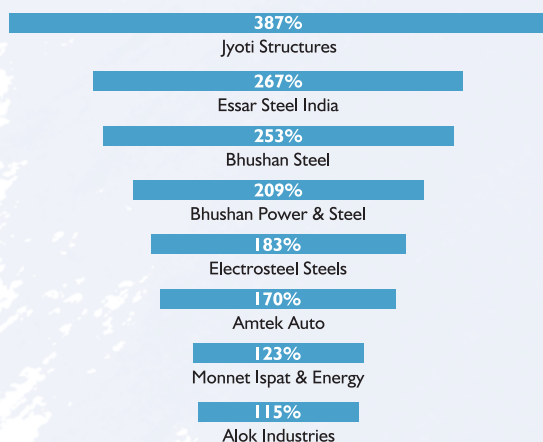
Sl. No.	Nature of Transactions	Applications Filed		Applications Disposed		
		Number of transactions	Amount involved	Number of transactions	Amount involved	Amount clawed back
1	Preferential	123	14435.39	20	518.45	29.17
2	Undervalued	15	884.31	1	351.64	0
3	Fraudulent	132	21759.68	10	353.96	3.69
4	Extortionate	3	70.68	-	-	-
5	Combination	504	183511.04	40	13881.95	16.58*
	Total	777	220661.10	71	15106.00	49.44

*In addition, in the matter of Jaypee Infra, possession of 758 acres out of total 858 acres of land was given back to the CD. The 858 acres of land was earlier valued at ₹ 5500 Crore.

Twelve Large Accounts

Resolution of 12 large accounts were initiated by banks, as directed by RBI. They had an aggregate outstanding claim of ₹ 3.45 lakh crore as against liquidation value of ₹ 73,220 crore. Of these, resolution plan in respect of eight CDs were approved and orders for liquidations were issued in respect of two CDs. Thus, CIRPs in respect of two CDs and liquidation in respect of two CDs are ongoing and are at different stages of the process. The status of the 12 large accounts is presented in Figure 17.

Figure 17: Realisation by the Claimants as % of the Liquidation Value



Resolution of FiSPs

On an application filed by the RBI to initiate CIRP against Dewan Housing Finance Corporation Ltd (DHFL), the AA admitted the application on December 3, 2019. Mr. R. Subramaniakumar was appointed as the Administrator. This is the first financial service provider (FiSP) admitted for resolution under the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, which were notified on November 15, 2019. The AA, vide order dated June 7, 2021, approved the resolution plan submitted by Piramal Capital and Housing Finance Ltd. Subsequently CIRPs have been initiated for three FiSPs namely Srei Equipment Finance Limited, Srei Infrastructure Finance Limited and Reliance Capital Limited and are underway.

Voluntary Liquidation

A corporate person may initiate voluntary liquidation proceeding if majority of the directors or designated partners of the corporate person make a declaration to the effect that (i) the corporate person has no debt or it will be able to pay its debts in full, from the proceeds of the assets to be sold under the proposed liquidation, and (ii) the corporate person is not being liquidated to defraud any person. At the end of March 31, 2022, 1223 corporate persons initiated voluntary liquidation (Figure 18). Final reports in respect of 644 voluntary liquidations have been submitted and twelve processes have been withdrawn by March 31, 2022. The status of 567 ongoing voluntary liquidations is presented in Figure 19.

Figure 18: Commencement of Voluntary Liquidations

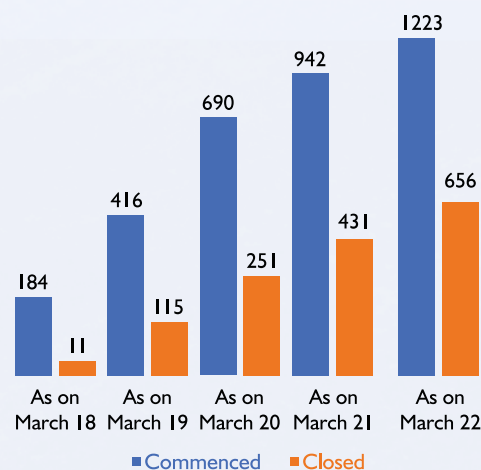
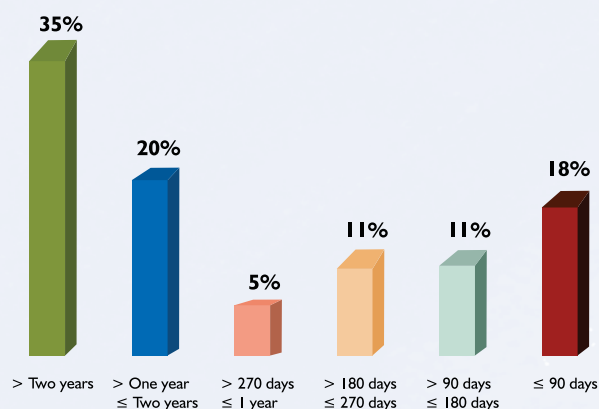
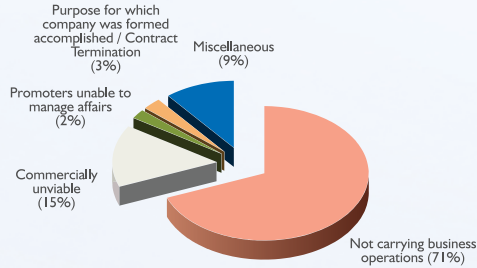


Figure 19: Timeline of Ongoing Voluntary Liquidations



Of the 1223 corporate persons that initiated voluntary liquidations till March 31, 2022, the reasons for these initiations are available for 1023 cases, which are presented in Figure 20. Most of these corporate persons are small entities. 645 of them have paid-up equity capital of less than ₹ 1 crore. Only 136 of them have paid-up capital exceeding ₹ 5 crore. The corporate persons, for which details are available, have an aggregate paid-up capital of ₹ 7166 crore (Table 5).

Figure 20: Reasons for Voluntary Liquidation**Table 5: Details of 1211 Voluntary Liquidations (Excluding Twelve Withdrawals)**

Details of	No. of Liquidations	Amount (in ₹ crore)			
		Paid-up capital	Assets	Outstanding debt	Surplus
Liquidations for which Final Reports submitted	644	3476*	4473	31##	31##
Ongoing Liquidations	567	3690#	1918#	**	
Total	1211	7166	6391	**	

Note:

* Paid up capital is not available in case of two companies as they are limited by guarantee companies.

**For ongoing liquidations, outstanding debt amount is not available.

Paid up capital and assets of 404 and 394 cases, respectively, are available.

Details regarding five cases not available.

It was reported in the last newsletter that dissolution orders were passed in respect of 283 voluntary liquidations. Dissolution orders in respect of 5 more voluntary liquidations, which were issued during the earlier period, were reported later, as indicated in Part A of Table 6. During the quarter January - March, 2022, dissolutions orders in respect of 36 voluntary liquidations were issued taking the total dissolutions to 324. These 324 corporate persons owed ₹ 21.65 crore to creditors and through voluntary liquidation process, they were paid full amount.

Table 6: Realisations under Voluntary Liquidations

Sl. No.	Name of Corporate Person	Date of Commencement	Date of Dissolution	Amount (in ₹ crore)				
				Realisation of Assets	Due to Creditors	Paid to Creditors	Liquidation Expenses	Surplus
Part A: Prior Period (Till December 31, 2021)								
1	Mannil Property & Development Corporation Limited	25-05-21	01-12-21	0.97	-	-	0.06	0.91
2	Medanta Duke Research Institute Private Limited	24-09-19	20-12-21	0.60	-	-	0.05	0.55
3	Global Wireless Application Services Private Limited	26-02-20	21-12-21	0.42	-	-	0.03	0.38
4	Dalco Engineering Pvt Ltd	08-04-19	24-12-21	6.83	-	-	1.21	5.62
5	Analytix Data Services Private Limited	24-12-19	31-12-21	0.21	-	-	0.21	-
Part B: January – March, 2022								
1	Daiichi Sankyo India Pharma Private Limited	07-09-17	06-01-22	273.64	2.35	2.35	29.80	241.49
2	ZTE India Randd Center Pvt.	01-10-19	06-01-22	8.56	-	-	0.24	8.32
3	Common Room Non Profit Foundation For New Entrepreneurs	25-03-21	12-01-22	0	-	-	0	-
4	Uttam Singh Dugal & Sons (Construction) Private Limited	04-04-19	13-01-22	0.52	-	-	0.15	0.37
5	Tefal India Household Appliances Private Limited	23-10-20	18-01-22	1.05	-	-	0.13	0.92
6	Lambodar Fiscal Services Pvt. Ltd.	12-10-20	24-01-22	1.43	-	-	0.04	1.39
7	Grewal Estates Pvt. Ltd.	18-02-19	31-01-22	26.55	7.34	7.34	0.10	19.11
8	Rosti Technical Plastics (India) Private Limited	12-04-19	03-02-22	0.04	-	-	0.04	-
9	Jaysel Fincap Private Limited	12-02-21	03-02-22	2.06	-	-	0.01	2.05
10	Shreyansh Professionals Limited	13-08-20	07-02-22	0.44	0	0	0.05	0.39
11	Kerala Gail Gas Limited	28-12-20	09-02-22	3.53	0.02	0.02	0.21	3.30
12	Capita IT and Consulting India Private Limited	14-11-18	10-02-22	0.58	-	-	0.03	0.55
13	Zipsure General Insurance Limited	23-02-20	10-02-22	0.05	-	-	0.01	0.04
14	Capital Safety Products India Private Limited	20-03-20	11-02-22	0.11	-	-	0.11	-
15	Radha Madhav Exim Limited	06-01-20	14-02-22	6.23	-	-	0.27	5.96
16	Hanuman Tradelink Pvt. Ltd	11-01-21	14-02-22	0.43	-	-	0.04	0.39
17	Hitech Metalplast Limited	24-01-20	18-02-22	0.11	-	-	0.07	0.04
18	Shivalik Medico Private Limited	12-10-20	24-02-22	0.45	-	-	0.05	0.40
19	Perk.Com Software Pvt	24-09-20	25-02-22	1.65	-	-	0.44	1.21
20	Dyno-Enpro Oil Field Chemicals Pvt	30-09-20	25-02-22	0.29	-	-	0.03	0.26
21	NIIT Yuva Jyoti Limited	19-02-20	25-02-22	0.57	0.05	0.05	0.06	0.46
22	Igarashi Motors Sales Pvt. Ltd	24-07-21	01-03-22	19.71	0.06	0.06	0.09	19.56
23	Leather Cluster Development Ltd.	28-06-21	02-03-22	0.30	-	-	0.02	0.28
24	HMT Chinara Watches Limited	25-03-19	10-03-22	8.04	0.10	0.10	0.19	7.75
25	United Equity Private Limited	23-09-19	10-03-22	1.62	-	-	0.02	1.60
26	Taconic Biosciences India Pvt. Ltd	12-10-18	11-03-22	0.51	0.12	0.12	0.39	-

27	Shalder India LLP	10-09-20	11-03-22	0.23	-	-	0.04	0.19
28	Equant India Pvt Ltd.	16-04-19	14-03-22	0.44	-	-	0.08	0.36
29	Nirmala Books Pvt Ltd.	28-07-21	15-03-22	0.54	-	-	0.04	0.50
30	Gujarat Arogya Seva Pvt. Ltd.	25-09-19	16-03-22	2.69	0.01	0.01	0.05	2.63
31	Jumoworld India Private Limited	15-02-21	16-03-22	0.65	-	-	0.19	0.46
32	Sakhi Resorts and Farmlands Pvt Ltd.	11-02-19	17-03-22	0.62	0.01	0.01	0.01	0.60
33	Geocloudio Technologies Pvt. Ltd.	28-10-20	17-03-22	0.12	-	-	0.11	0.01
34	A.B.S. Enterprises Pvt Ltd.	02-07-20	23-03-22	1.07	-	-	0.10	0.97
35	Joginder Coal Transport Pvt. Ltd.	06-06-17	24-03-22	0.06	-	-	0.03	0.03
36	Maharishi Gramin Micro Finance Private Limited	27-03-19	29-03-22	0.02	-	-	0.01	0.01
Total (January - March, 2022)				364.91	10.06	10.06	33.25	321.62
Total (Till March, 2022)				3293.5	21.65	21.65	70.6	3201.22

'0' means an amount below two decimals.

-'-' means no value.

Time for Conclusion of Processes

The average time taken for completion of various processes is presented in Table 7.

Table 7: Average Time for Approval of Resolution Plans/Orders for Liquidation

Sl.	Average time	As on March, 2020		As on March, 2021		April, 2021 to March, 2022	
		No. of Processes covered	Time (In days)	No. of Processes covered	Time (In days)	No. of Processes covered	Time (In days)
		Including excluded time	Excluding excluded time	Including excluded time	Excluding excluded time	Including excluded time	Excluding excluded time
CRIPs							
1	From ICD to approval of resolution plans by AA	235	408	372	355	464	404
2	From ICD to order for Liquidation by AA	939	309	NA	1290	352	NA
Liquidations							
3	From LCD to submission of final report under Liquidation	126	307	NA	256	418	NA
4	From LCD to submission of final report under Voluntary Liquidation	244	319	NA	422	381	NA
5	From LCD to order for dissolution under Liquidation	71	284	NA	145	401	NA
6	From LCD to order for dissolution under Voluntary Liquidation	142	453	NA	233	515	NA

Corporate Liquidation Accounts

The Regulations require a liquidator to deposit the amount of unclaimed dividends, if any, and undistributed proceeds, if any, in a liquidation process along with any income earned thereon into the corporate liquidation account before he submits an application for dissolution of the corporate person. It also provides a process for a stakeholder to seek withdrawal from the said account. Similar provisions exist for voluntary liquidation processes. The details of these accounts at the end of March, 2022 are presented in Table 8.

Table 8: Corporate Liquidation Accounts as on March 31, 2022 (Amount in ₹ lakh)

Period	Opening Balance	Deposit during the period	Withdrawn during the period	Balance at the end of the period
Corporate Liquidation Account				
2019 - 20	0.00	476.26	0.21	476.05
2020 - 21	476.05	116.18	0.00	592.23
2021 - 22	592.23	25.93	4.84	613.32
Corporate Voluntary Liquidation Account				
2019 - 20	0.00	109.70	0.00	109.70
2020 - 21	109.70	112.06	0.00	221.76
2021 - 22	221.76	127.94	0.03	349.67

Pre-packaged Insolvency Resolution Process

The Central Government enacted the Insolvency and Bankruptcy Code (Amendment) Act, 2021 on August 11, 2021 which was deemed to have come into force on April 4, 2021 introducing the Pre-packaged Insolvency Resolution Process (PPIRP) for corporate MSMEs. On April 9, 2021, the Central Government notified the Insolvency and Bankruptcy (Pre-packaged Insolvency Resolution Process) Rules, 2021 prescribing the manner and form of making application to initiate PPIRP and the IBBI notified the IBBI (Pre-packaged Insolvency Resolution Process) Regulations, 2021. The Regulations provide for manner of carrying out certain processes and tasks under PPIRP. As per the information available with the Board, two applications have been admitted as on March 31, 2022.

Sl. No.	Name of the CD	Date of Admission	Name of the NCLT Bench
1	GCCL Infrastructure & Projects Ltd.	14-09-21	Ahmedabad
2	Loonland Developers Pvt. Ltd.	29-11-21	Principal Bench, New Delhi

In the matter of GCCL Infrastructure & Projects Ltd. a resolution plan has been approved by the CoC and approval of the AA is awaited.

Summary of Outcomes

- The primary objective of the Code is rescuing lives of CDs in distress. The Code has rescued 480 CDs till March, 2022 through resolution plans, one third of which were in deep distress. However, it has referred 1609 CDs for liquidation. The CDs rescued had assets valued at ₹ 1.31 lakh crore, while the CDs referred for liquidation had assets valued at ₹ 0.56 lakh crore when they were admitted to CIRP. Thus, in value terms, around 70% of distressed assets were rescued. Of the CDs sent for liquidation, three-fourth were either sick or defunct and of the firms rescued, one-third were either sick or defunct.
- The realisable value of the assets available with the 480 CDs rescued, when they entered the CIRP, was only ₹ 1.31 lakh crore, though they owed ₹ 7.61 lakh crore to creditors. The resolution plans realised ₹ 2.34 lakh crore, which is around 178% of the liquidation value of these CDs. Any other option of recovery or liquidation would have recovered at best ₹ 100 minus the cost of recovery/liquidation, while the creditors recovered ₹ 178 under the Code. The excess recovery of ₹ 78 is a bonus from the Code. Though recovery is incidental under the Code, the FCs recovered 32.89% of their claims, which only reflects the extent of value erosion by the time the CDs entered CIRP, yet it is the highest among all options available to creditors for recovery. Resolution plans on average are yielding 83% of fair value of the CDs. These realisations are exclusive of realisations that would arise from value of equity holdings post-resolution, resolution of PGs to CDs, and from disposal of applications for avoidance transactions.
- The 1609 CDs ending up with orders for liquidation had an aggregate claim of ₹ 7.95 lakh crore. However, they had assets, on the ground, valued only at ₹ 0.56 lakh crore. Till March, 2022, 328 CDs have been completely liquidated. Many of these CDs did not have any job or asset when they entered the IBC process. These included the likes of Ghotaringa Minerals Limited and Orchid Healthcare Private Limited, which owed ₹ 8,163 crore, while they had absolutely no assets and employment. These 328 CDs together had outstanding claims of ₹ 66,381.23 crore, but the assets valued at ₹ 2804.01 crore. ₹ 2696.77 crore were realised through liquidation of these companies.
- A distressed asset has a life cycle. Its value gradually declines with time if distress is not addressed. The credible threat of the Code, that a CD may change hands, has changed the behaviour of debtors. Thousands of debtors are resolving distress in early stages of distress. They are resolving when default is imminent, on receipt of a notice for repayment but before filing an application, after filing application but before its admission, and even after admission of the application, and making best effort to avoid consequences of resolution process. Most

companies are rescued at these stages. Till March, 2022, 21,100 applications for initiation of CIRPs of CDs having underlying default of ₹ 6,09,482.17 crore were resolved before their admission. Only a few companies, who fail to address the distress in any of earlier stages, pass through the entire resolution process. At this stage, the value of the company is substantially eroded, and hence some of them are rescued, and others liquidated. The recovery may be low at this stage, but recovery in early stages of distress is much higher, and it is primarily because of the Code.

- The Code endeavours to close the various processes at the earliest. It prescribes timelines for some of them. The 480 CIRPs, which have yielded resolution plans by the end of March, 2022 took on average 450 days (after excluding the time excluded by the AA) for conclusion of process. Similarly, the 1609 CIRPs, which ended up in orders for liquidation, took on average 412 days for conclusion. Further, 328 liquidation processes, which have closed by submission of final reports took on average 456 days for closure. Similarly, 644 voluntary liquidation processes, which have closed by submission of final reports, took on average 422 days for closure.
- Till March, 2022, a total of 480 CIRPs have yielded resolution plans. The cost details are available in respect of 455 CIRPs. The cost works out on average 1.17% of liquidation value and 0.62% of resolution value.

Individual Processes

The provisions relating to insolvency resolution and bankruptcy relating to PGs to CDs came into force on December 1, 2019. As per the information received from the applicants, IPs, and data collected from various benches of NCLT and DRT, 926 applications have since been filed as of March 31, 2022. Out of them, 82 applications have been filed by the debtors and 844 applications by the creditors under sections 94 and 95 of the Code, respectively. Among them 18 have been filed before different benches of DRT and 908 have been filed before different benches of NCLT (Table 9).

Service Providers

Insolvency Professionals

An individual, who is enrolled with an IPA as a professional member and has the required qualification and experience and passed the Limited Insolvency Examination, is registered as an IP. An IP needs an authorisation for assignment (AFA) to take up an assignment under the Code with effect from January 1, 2020.

The IBBI made available an online facility from November 16, 2019 to enable an IP to make an application for issuance / renewal of AFA to the concerned IPA. Thereafter, an IPA processes such applications electronically. The details of IPs registered as on March 31, 2022 and AFAs held by them, IPA-wise, is presented in Table 10. A geographical distribution of IPs as on March 31, 2022 is presented in Figure 21.

Table 9: Insolvency Resolution of Personal Guarantors

(Amount in ₹ crore)

Period	Applications filed by						Total			Adjudicating Authority	
	Debtors (u/s 94)			Creditors (u/s 95)							
	Number	Debt Amount	Guarantee Amount	Number	Debt Amount	Guarantee Amount	Number	Debt Amount	Guarantee Amount	NCLT	DRT
2019 - 20	3	49.66	40.75	16	3256.87	4,454.83	19	3306.53	4495.58	18	1
2020 - 21	18	1875.65	608.75	191	36415.25	26029.11	209	38290.9	26637.86	203	6
2021 - 22	61	2668.61	1165.44	637	55984.47	41188.71	698	58653.08	42354.15	687	11
Total	82	4593.92	1814.94	844	95656.59	71672.65	926	100250.51	73487.59	908	18

Note:

The data are provisional. These are getting revised on continuous basis as further information is received.

NA: Not Available.

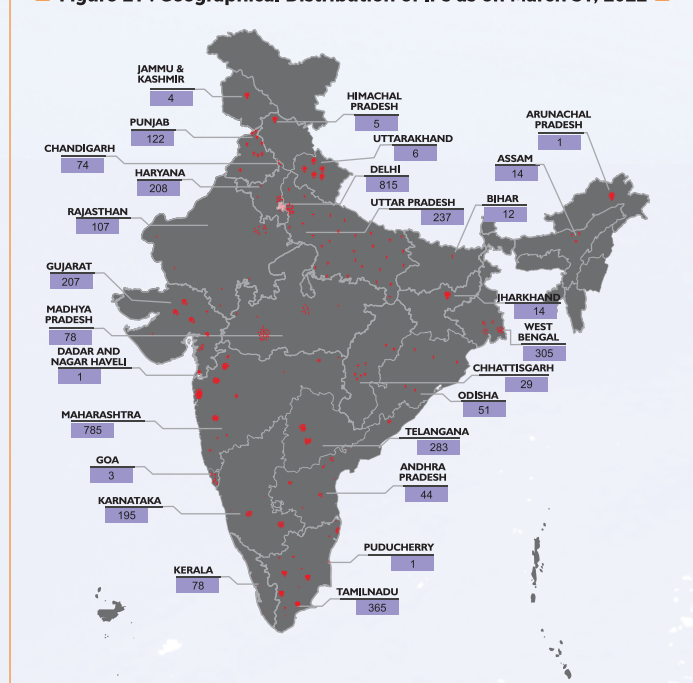
Debt data not available in 110 cases and Guarantee data not available in 326 cases.

Guarantee amount has been collated from the annexures of the applications, wherever available.

Table 10: Registered IPs and AFAs as on March 31, 2022

City / Region	Registered IPs				IPs having AFA			
	IIPI	ICSI IIP	IPA of ICAI	Total	IIPI	ICSI IIP	IPA of ICAI	Total
New Delhi	455	272	88	815	274	179	55	508
Rest of Northern Region	483	207	73	763	282	126	41	449
Mumbai	409	149	39	597	241	86	27	354
Rest of Western Region	337	125	45	507	217	84	26	327
Chennai	145	86	18	249	80	57	9	146
Rest of Southern Region	411	224	81	716	238	138	57	433
Kolkata	220	38	24	282	146	25	15	186
Rest of Eastern Region	78	28	9	115	47	17	6	70
Total Registered	2538	1129	377	4044	1525	712	236	2473

Figure 21 : Geographical Distribution of IPs as on March 31, 2022



Of the 4069 IPs registered till date, registrations of five IPs have been cancelled through disciplinary action, and registrations of two IPs cancelled on failing to fulfil the requirement of fit and proper person status. As per information available, 18 IPs have passed away since their registrations. The registrations and cancellations of registrations of IPs, quarter wise, till March 31, 2022 are presented in Table 11.

Table 11: Registration and Cancellation of Registration of IPs

Year / Quarter	Registered at the beginning of the period	Registered during the period	Cancelled during the period on account of			Registered at the end of the period
			Disciplinary Process	Failing to Meet Eligibility Norms	Death	
2016 - 17 (Nov - Dec) #	0	977	0	0	0	977
2016 - 17 (Jan - Mar)	0	96	0	0	0	96
2017 - 18	96	1716	0	0	0	1812
2018 - 19	1812	648	4	0	0	2456
2019 - 20	2456	554	0	1	5	3004
2020 - 21	3004	506	0	1	5	3504
2021 - 22	3504	549	1	0	8	4044
Total	NA	4069	5	2	18	4044

Note: # Registrations with validity of six months. These registrations expired by June 30, 2017

An individual with 10 years of experience as a member of the ICAI, ICSI, ICMAI or a Bar Council or 10 years of experience in the field of law, after receiving a Bachelor's degree in law or 10 years of experience in management, after receiving a Master's degree in Management or two year full time Post Graduate Diploma in Management or 15 years of experience in management, after receiving a Bachelor's degree is eligible for registration as an IP on passing the Limited Insolvency Examination.

The Graduate Insolvency Programme (GIP) is the first of its kind programme for those aspiring to take up the profession of IP as a career without having to wait for acquiring the specified 10/15 years of experience. The first batch of GIP (2019-2021) conducted by Indian Institute of Corporate Affairs has successfully been completed and IBBI has granted 16 registrations based on this qualification, until, March 31, 2022.

Table 12 presents distribution of IPs as per their eligibility (an IP may be a member of more than one Institute) as on March 31, 2022. Of the 4044 IPs as on March 31, 2022, 388 IPs (constituting about nine per cent of the total registered IPs) are female.

Table 12: Distribution of IPs as per their Eligibility as on March 31, 2022

Eligibility	No. of IPs		
	Male	Female	Total
Member of ICAI	2038	193	2231
Member of ICSI	575	121	696
Member of ICMAI	183	18	201
Member of Bar Council	219	30	249
Managerial Experience	626	25	651
GIP Qualified	15	1	16
Total	3656	388	4044

The Regulations provide that an IP shall be eligible to obtain an AFA if he has not attained the age of 70 years. Table 13 presents the age profile of the IPs registered as on March 31, 2022.

Table 13: Age Profile of IPs as on March 31, 2022

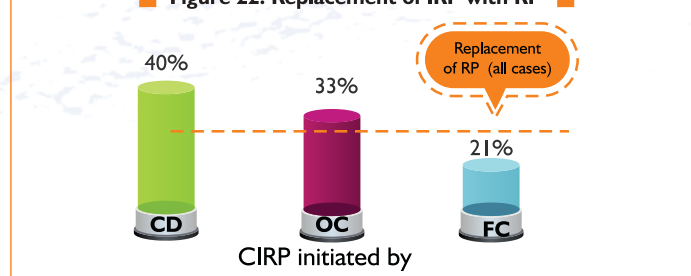
Age Group (in years)	Registered IPs				IPs having AFA			
	IIPI	ICSI IIP	IPA ICAI	Total	IIPI	ICSI IIP	IPA ICAI	Total
≤ 30	7	7	0	14	4	2	0	6
> 30 ≤ 40	280	77	15	372	173	57	8	238
> 40 ≤ 50	907	382	57	1346	581	258	32	871
> 50 ≤ 60	761	311	92	1164	457	205	55	717
> 60 ≤ 70	538	310	196	1044	310	190	141	641
> 70 ≤ 80	42	36	14	92	NA	NA	NA	NA
> 80 ≤ 90	2	6	3	11	NA	NA	NA	NA
> 90	1	0	0	1	NA	NA	NA	NA
Total	2538	1129	377	4044	1525	712	236	2473

NA: Not applicable

Replacement of IRP with RP

Section 22(2) of the Code provides that the CoC may, in its first meeting, by a majority vote of not less than 66% of the voting share of the FCs, either resolve to appoint the IRP as the RP or to replace the IRP by another IP to function as the RP. Under section 22(4) of the Code, the AA shall forward the name of the RP, proposed by the CoC, under section 22(3)(b) of the Code, to IBBI for its confirmation and shall make such appointment after such confirmation. However, to save time in such reference, a database of all the IPs registered with the IBBI has been shared with the AA, disclosing whether any disciplinary proceeding is pending against any of them and the status of their AFAs. While the database is currently being used by various Benches of the AA, in a few cases, the IBBI receives references from the AA and promptly responds to it. Till March 31, 2022, as per updates available, a total of 1123 IRPs have been replaced with RPs, as shown in Figure 22. It is observed that IRPs in 40% of CIRPs initiated by CD are replaced by RPs, in 33% of CIRPs initiated by OCs and in 21% of CIRPs initiated by FCs.

Figure 22: Replacement of IRP with RP



Insolvency Professional Entities

During the quarter under review, three IPEs were recognised. As on March 31, 2022, there were 91 IPEs (Table 14).

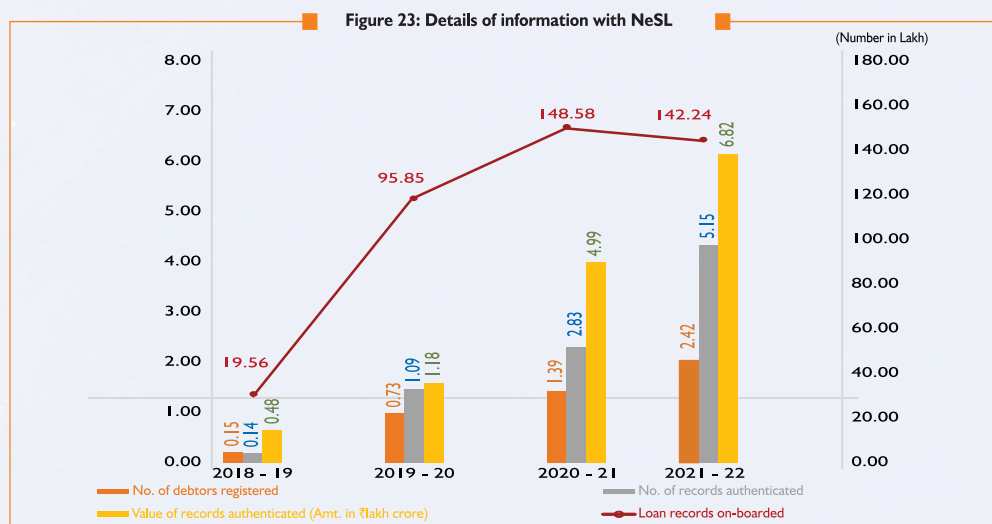
Table 14: IPEs as on March 31, 2022

Period	No. of IPEs		
	Recognised	Derecognised from the IRP	At the end of the Period
2016 - 17 (Jan - Mar)	3	0	3
2017 - 18	73	1	75
2018 - 19	13	40	48
2019 - 20	23	2	69
2020 - 21	14	0	83
2021 - 22	10	2	91
Total	136	45	91

Information Utility

There is one IU, namely, the National E-Governance Service Limited (NeSL) that provides authenticated financial information to the users. The IBBI interacts with the MD & CEO of the IU along with the MDs of IPAs on 7th of every month to discuss the issues relating to receipt and authentication of financial information.

During interactions in this quarter, IPAs were requested to encourage their members to make use of the information stored with the IU for verification of claims during CIRP. Figure 23 provides details of the registered users and information with NeSL, as submitted by it.



concern for the profession and discuss the ways and means to deal with them. During the quarter under review, issues like disposal of grievances, use of technology in processes, conduct of IPs, concerns emanating from COVID-19, etc. are discussed. Table 15A presents the details of activities by the IPAs. Table 15B gives details of number of continuing professional education (CPE) hours earned by IPs.

Table 15A: Activities by IPAs

Period	Number of					
	Pre-registration Courses conducted	CPE Programmes conducted	Training Workshops for IPs	Other Workshops/ Webinars/ Roundtables/ Seminars	Disciplinary Orders Issued	Complaints (Forwarded by IBBI) Disposed
2018 - 19	16	-	07	100	04	11
2019 - 20	11	30	09	157	09	127
2020 - 21	14	193	66	102	42	102
2021 - 22	13	133	56	81	23	12
Total	54	356	138	440	78	252

Table 15B: CPE Hours earned by the IPs

Period	Number of CPE Hours earned by members of			
	IIPI	ICSI IIP	IPA ICAI	Total
2019 - 20	1160	695	320	2175
2020 - 21	18465	8746	4647	31858
2021 - 22	14123	7890	3872	25885
Total	33748	17331	8839	59918
Average CPE hours per registered IP	13.29	15.35	23.45	14.82

Insolvency Professional Agencies

IPAs are front-line regulators and responsible for developing and regulating the insolvency profession. They discharge three kinds of functions, namely, quasi-legislative, executive, and quasi-judicial. The quasi-legislative functions cover laying down standards and code of conduct through byelaws, which are binding on all members. The executive functions include monitoring, inspection, and investigation of professional members on a regular basis, addressing grievances of aggrieved parties, gathering information about their performance, etc., with the overarching objective of promoting best practices and conduct by IPs. The quasi-judicial functions include dealing with complaints against members and taking suitable disciplinary actions.

As on March 31, 2022, there are three IPAs registered in accordance with the Code and Regulations. The IBBI interacts with the MDs of the IPAs and the IU on the 7th of every month, to obtain feedback on areas of

Registered Valuer Organisations

The Companies (Registered Valuers and Valuation) Rules, 2017 (Valuation Rules) made under section 247 of the Companies Act, 2013 provide a unified institutional framework for development and regulation of valuation profession. Its remit is limited to valuations required under the Companies Act, 2013 and the Code. The IBBI performs the functions of the Authority under the Valuation Rules. It recognises Registered Valuer Organisations (RVOs) and registers RVs and exercises regulatory oversight over them, while RVOs serve as front-line regulators for the valuation profession.

An individual having specified qualification and experience needs to enroll with an RVO, complete the educational course conducted by the RVO, clear the examination conducted by IBBI, before seeking registration with IBBI as an RV. There are currently 16 RVOs, Assessors and Registered

Valuers Foundation being the latest RVO recognised, on March 31, 2022. The IBBI meets MDs / CEOs of RVOs on the 7th of every month to discuss the issues arising from the valuation profession, to resolve queries of the RVOs and to guide them in discharge of their responsibilities.

The details of individual RVs, RVO-wise, as on March 31, 2022, are given in Table 16A. A total of 4566 individuals have registrations, three of them are registered for all three asset classes, 65 are registered for two asset classes and the balance 4498 are registered for one asset class. Till date, the registration of two RVs has been cancelled. A geographical distribution of RVs as on March 31, 2022 is presented in Figure 24.

Table 16A: Registered Valuers as on March 31, 2022 (Number)

Sl. No.	Registered Valuer Organisation	Asset Class			Total
		Land & Building	Plant & Machinery	Securities or Financial Assets	
1	RVO Estate Managers and Appraisers Foundation	72	14	14	100
2	IOV Registered Valuers Foundation	1383	219	158	1760
3	ICSI Registered Valuers Organisation	0	0	217	217
4	IIV India registered Valuers Foundation	160	46	51	257
5	ICMAI Registered Valuers Organisation	31	25	277	333
6	ICAI Registered Valuers Organisation	NA	NA	908	908
7	PVAI Valuation Professional Organisation	307	53	123	483
8	CVSRTA Registered Valuers Association	204	60	NA	264
9	Association of Certified Valuators and Analysts	NA	NA	2	2
10	CEV Integral Appraisers Foundation	107	34	3	144
11	Divya Jyoti Foundation	55	18	42	115
12	Nandadeep Valuers Foundation	1	0	1	2
13	All India Institute of Valuers Foundation	7	3	16	26
14	International Business Valuers Association	3	0	9	12
15	All India Valuers Association	1	0	0	1
16	Assessors and Registered Valuers Foundation	7	2	4	13
Total		2338	474	1825	4637

Note: NA signifies that the RVO is not recognised for this asset class

RVs are permitted to form an entity (Partnership / Company) for rendering valuation services. There are 63 such entities registered as RVs as on March 31, 2022, as presented in table 16B. 27 of them are registered for three asset classes, 11 are registered for two asset classes and 25 are registered for one asset class. The registration of RVs till March 31, 2022 is given in Table 17.

Table 16B: Registered Valuers (Entities) as on March 31, 2022 (Number)

Registered Valuer Organisation	Number of Entities	Asset Class		
		Land & Building	Plant & Machinery	Securities or Financial Assets
RVO Estate Managers and Appraisers Foundation	4	3	2	3
IOV Registered Valuers Foundation	22	17	15	19
ICSI Registered Valuers Organisation	2	0	0	2
IIV India Registered Valuers Foundation	2	2	2	1
ICMAI Registered Valuers Organisation	11	5	5	11
ICAI Registered Valuers Organisation	11	NA	NA	11
PVAI Valuation Professional Organisation	2	2	2	2
CVSRTA Registered Valuers Association	1	1	1	NA
CEV Integral Appraisers Foundation	1	1	1	NA
Divya Jyoti Foundation	2	1	1	2
All India Institute of Valuers Foundation	1	1	1	1
International Business Valuers Association	4	4	4	3
Total	63	37	34	55

Note: NA signifies that the RVO is not recognised for this asset class.

Table 17: Registration of RVs till March 31, 2022 (Number)

Year	Land & Building	Plant & Machinery	Securities or Financial Assets	Total
2017 - 2018	0	0	0	0
2018 - 2019	781	121	284	1186
2019 - 2020	848	204	792	1844
2020 - 2021	409	82	446	937
2021 - 2022	302	67	303	672
Total	2340	474	1825	4639

Note: The registration of 2 RVs has since been cancelled.

As on March 31, 2022, 1219 RVs (constituting 26% of the total RVs registered) are from metros, while 3418 RVs (constituting 74% of the total RVs registered) are from non-metro locations. The region wise detail of RVs is given in Table 18.

Table 18: Region wise RVs as on March 31, 2022 (Number)

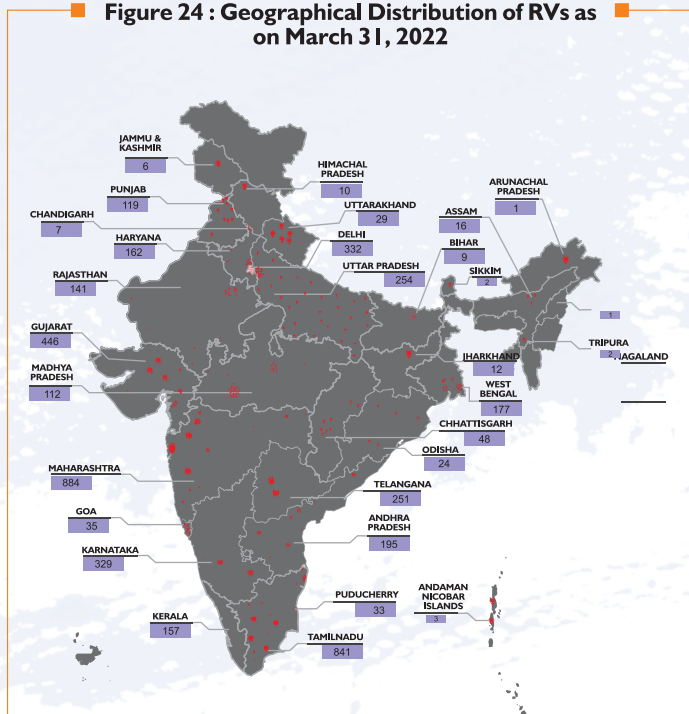
City / Region	Land & Building	Plant & Machinery	Securities or Financial Assets	Total
New Delhi	79	34	218	331
Rest of Northern Region	364	74	313	751
Mumbai	112	51	281	444
Rest of Western Region	652	126	298	1076
Chennai	114	42	138	294
Rest of Southern Region	952	123	439	1514
Kolkata	27	17	105	149
Rest of Eastern Region	39	7	32	78
Total	2338	474	1825	4637

The average age of RVs as on March 31, 2022 stood at 47 years across asset classes. It was 49 years for Land & Building, 54 years for Plant & Machinery and 43 years for Securities or Financial Assets (Table 19). Of the 4637 RVs as on March 31, 2022, 443 RVs (constituting about ten per cent of the total RVs) are females.

Table 19: Age profile of RVs as on March 31, 2022 (Number)

Age Group (in years)	Land & Building	Plant & Machinery	Securities or Financial Assets	Total
≤ 30	179	8	131	318
> 30 ≤ 40	379	67	728	1174
> 40 ≤ 50	543	103	532	1178
> 50 ≤ 60	934	148	290	1372
> 60 ≤ 70	263	100	139	502
> 70 ≤ 80	38	46	5	89
> 80	2	2	0	4
Total	2338	474	1825	4637

Figure 24 : Geographical Distribution of RVs as on March 31, 2022



Complaints and Grievances

The IBBI (Grievance and Complaint Handling Procedure) Regulations, 2017 enable a stakeholder to file a grievance or a complaint against a service provider. Beside this, grievance and complaints are received from the Centralised Public Grievance Redress and Monitoring System, CPGRAMS, Prime Minister's Office, MCA, and other authorities. The receipt and disposal of grievances and complaints till March 31, 2022 is presented in Table 20.

Table 20: Receipt and Disposal of Grievances and Complaints till March 31, 2022 (Number)

Year	Complaints and Grievances Received						Total	
	Under the Regulations		Through CPGRAMS/PMO/MCA/Other Authorities		Through Other Modes		Received	Disposed
	Received	Disposed	Received	Disposed	Received	Disposed		
2017 - 2018	18	0	6	0	22	2	46	2
2018 - 2019	111	51	333	290	713	380	1157	721
2019 - 2020	153	177	239	227	1268	989	1660	1393
2020 - 2021	268	260	358	378	990	1364	1616	2002
2021 - 2022	276	279	574	570	611	784	1461	1633
Total	826	767	1510	1465	3604	3519	5940	5751

Examinations

Limited Insolvency Examination

The IBBI publishes the syllabus, format, etc. of the Examination under regulation 3(3) of the IBBI (Insolvency Professionals) Regulations, 2016. It reviews the Examination continuously to keep it relevant with respect to dynamics of the market. It has successfully completed six phases of the Limited Insolvency Examination. Sixth phase of the Examination concluded on February 28, 2022 and seventh phase commenced on March 01, 2022. It is a computer based online examination available on daily basis from various locations across India. NSEIT Limited is the current test administrator. The details of the Examination are given in the Table 21.

Table 21: Limited Insolvency Examination

Phase	Period	Number of Attempts (some candidates made more than one attempt)	Successful Attempts
First	Jan 2017 – Jun 2017	5329	1201
Second	Jul 2017 – Dec 2017	6237	1112
Third	Jan 2018 – Oct 2018	6344	1013
Fourth	Nov 2018 – Jun 2019	3025	505
Fifth	Jul 2019 – Dec 2020	5860	1016
Sixth	Jan 2021 – Feb 2022	2741	474
Seventh	Mar 2022	127	8
Total		29663	5329

Valuation Examinations

The IBBI, being the authority, under the Companies (Registered Valuers and Valuation) Rules, 2017, commenced the Valuation Examinations for asset classes of: (a) Land and Building, (b) Plant and Machinery, and (c) Securities or Financial Assets on March 31, 2018. It reviews the Examinations continuously to keep it relevant with the changing times. The second phase concluded on May 31, 2020 and the third phase commenced on June 1, 2020. Syllabus for Phase 4 of the Valuation Examinations w.e.f July 01, 2022, was notified on March 31, 2022. It is a computer based online examination available from several locations across India.

National Institute of Securities Market is the current test administrator. The details of the Examinations are given in Table 22.

Table 22: Valuation Examinations

Phase	Period	Number of Attempts (some candidates made more than one attempt) in Asset Class			Number of Successful Attempts in Asset Class		
		Land & Building	Plant & Machinery	Securities or Financial Assets	Land & Building	Plant & Machinery	Securities or Financial Assets
First	Mar 2018 – Mar 2019	9469	1665	4496	1748	324	707
Second	Apr 2019 – May 2020	3780	757	4795	380	95	656
Third	Jun 2020 – Dec 2021	6250	1593	6745	478	112	645
Fourth	Jan 2022 – Mar 2022	905	154	554	56	15	47
Total		20404	4169	16590	2662	546	2055

Building Ecosystem

IP Workshops

The IBBI has been organising Advanced workshops for registered IPs with the aim to deliver specialised and deep level learning through classroom and non-residential mode. It organised two Basic Workshops and two Advanced Workshops for the IPs during the quarter, through online mode. The details of the workshops conducted till March 31, 2022, are given in Table 23.

Table 23: Capacity Building Programmes for IPs till March 31, 2022

Year / Period	Basic Workshops	Advanced Workshops	Other Workshops	Webinars	Roundtables	Trainings	Total
2016 – 17	1	-	-	-	8	-	9
2017 – 18	6	-	-	-	44	-	50
2018 – 19	7	-	-	-	22	-	29
2019 – 20	4	6	5	1	22	-	38
2020 – 21	1	2	6	29	18	2	58
2021 – 22	7	7	-	21	12	3	50
Total	26	15	11	51	126	5	234

Webinars

During the quarter, the IBBI organised several webinars for the benefit of IPs and other stakeholders of the IBC ecosystem, as presented in Table 24.

Table 24: Webinars during January - March 31, 2022

Sl. No.	Date	Particulars	In Association With
1	04-02-22	Personal Guarantors and Liabilities of Directors	FCDO UK
2	16-02-22	Engagement of Professionals during CIRP	-
3	23-02-22	Cross Border Insolvency	FCDO UK and IIIPI



Webinar on Personal Guarantors and Liabilities of Directors; February 4, 2022



Roundtable on Engagement of Professionals; February 22, 2022



Training Programme for ICLS Officer Trainees; January 17-19, 2022

CoC Workshops

As part of the ongoing 'Azadi Ka Amrit Mahotsav' celebrations, the IBBI, in association with the State Bank of India (SBI) and the IBA, organised two, one-day workshops, in hybrid mode, on the subject titled "Committee of Creditors: An Institution of Public Faith" on January 7, 2022 and March 4, 2022, at Chennai and New Delhi respectively.

These were the ninth and tenth such workshops in the series of events organized by the Board, for the benefit of officers of scheduled commercial banks and financial institutions who represent FCs in the CoC, under the Code. Both the Workshops were attended by over hundred senior officers (Assistant General Manager and above) representing scheduled commercial banks and financial institutions.

These workshops aimed at developing a better understanding of the role of and expectations from the CoC and to build the capacity of FCs to ensure that the CoC,

- discharges its statutory duty and responsibility with utmost care and diligence;
- develop capability and motivation to prudently apply its commercial wisdom; and
- consider and balance the interest of all the stakeholders in a resolution process.



Signing of MoU between IBA and IBBI; March 4, 2022

Roundtable

During the quarter, the IBBI organised roundtables with stakeholders as presented in Table 25:

Table 25: Roundtables with stakeholders

Sl. No.	Date	Particulars	In Association With
1	22-02-22	Virtual Round Table Meeting regarding Discussion Paper on Engagement of Professionals	-
2	15-03-22	Virtual Round Table Meeting regarding Discussion on the topic "Development of the Distressed Asset Market in India"	FCDO UK



Orientation Programme for NOIDA Authority; March 3, 2022

Advocacy and Awareness

Moot Competition

The Board in association with Himachal Pradesh National Law University's organised National Insolvency and Bankruptcy Moot Court Competition, 2022 from March 25 to March 27, 2022, virtually. The competition saw the participation of 40 teams from various institutions of learning. The Moot proposition was based on emerging aspects of the Insolvency & Bankruptcy Code, 2016 and Constitutional Law. The final round was judged by a panel consisting of HMJ M.M. Kumar (Former President, National Company Law Tribunal), Shri Pradeep Rai (Vice-President, Supreme Court Bar Association), Dr. (Ms.) Mukulita Vijayawargiya (Whole Time Member, The Insolvency and Bankruptcy Board of India), Sr. Adv. Mukul Gupta (Advocate) and Shri Bishwajit Dubey (Partner at Cyril Amarchand Mangaldas & Co.) The team from University Institute of Legal Studies, Punjab University was adjudged as the Winner and the team from Law Centre-I Faculty of Law, Delhi University was adjudged as the Runners-Up.



Workshop on the subject titled "Committee of Creditors: An Institution of Public Faith"; March 4, 2022

Other Programmes

IBBI in association with various stakeholders, organised advocacy and awareness programmes as presented in Table 26.

Table 26: Advocacy and Awareness Programmes: January - March 31, 2022

Sl.	Date	Particulars	Topic	In association with
1	05-01-22	Training Session for officers of GST, Gujarat	IBC	NACIN, Vadodara
2	05-01-22 to 12-01-22	Certificate Course on IBC jointly with ICAI.	IBC	ICAI
3	12-01-22	Sessions by Mr. Sumant Batra, Advocate and Mr. Asit Behera, AM, IBBI on Gyandarshan Channel, IGNOU	Analysis of withdrawal of CIRP proceeding pursuant to settlement under Section 12A of IBC, 2016; and Clean Slate Principle under the IBC, 2016	IGNOU
4	17-01-22 to 19-01-22	Three day training programme for Indian Corporate Law Service Officers.	IBC	
5	20-01-22	Conference on "5 Years of Insolvency and Bankruptcy Code: Looking Forward and Beyond"	IBC	FICCI
6	30-01-22	Blog Writing Competition and Conference	Evolving Dynamics of the Insolvency Regime in India, 2022	RGNUL
7	02-02-22	Session by Mr. K. R. Saji Kumar, JS, Ministry of Law and Justice on Gyandarshan Channel, IGNOU	IBC Evolving Jurisprudence	IGNOU
8	03-02-22	International Conference "MSMEs: Legislative and Regulatory Challenges" (UNCITRAL and Indian Perspective)	IBC and MSMEs	GNLU, TNNLU and UNCITRAL RCAP
9	16-02-22	Sessions by Dr. Navrang Saini, WTM and Mr. Santosh Kumar Shukla, ED on Gyandarshan Channel, IGNOU	IBC Ecosystem: Milestones Achieved and Way Forward	IGNOU
10	26-02-22	Orientation Program on "Insolvency and Bankruptcy Code and its Emerging Scenario" at Kolkata	IBC	ICMAI IPA
11	02-03-22	Sessions by Mr. Rajesh Kumar Gupta, CGM, IBBI and Mr. Sanjeev Pandey, DGM, SBI on Gyandarshan Channel, IGNOU	COC and Lending Post IBC	IGNOU
12	03-03-22	Orientation programme for the officers of GNIDA and NOIDA Authority	IBC	-
13	05-03-22	Seminar on the Insolvency & Bankruptcy Code, 2016 & its emerging scenario at Pune	IBC	ICMAI IPA
14	12-03-22	Seminar on the Insolvency & Bankruptcy Code, 2016 & its emerging scenario at Dehradun	IBC	ICMAI IPA
15	16-03-22	Sessions by Mr. G. P. Madaan, IP and Mr. C. Ramachandra Rao, GM and Mr. Anshul Agrawal, Manager on Gyandarshan Channel, IGNOU	Operational Debt and Operational Creditor; Dispute and Existence of a Dispute and Analysis of provisions of the Limitation Act, 1963 with respect to Insolvency and Bankruptcy Code, 2016 ; Analysis of withdrawal of CIRP proceeding pursuant to settlement under Section 12A of Insolvency and Bankruptcy Code, 2016	IGNOU
16	26-03-22	International Conference on IBC in India and International Perspective	IBC	IIPI
17	30-03-22	Sessions by Mr. Rajesh Kumar, GM, IBBI, Ms Tuhina Mardi, AM, IBBI and Mr. Dilip Khandale, DGM, IBBI, Ms. Archana Sharma, Manager, IBBI on Gyandarshan Channel, IGNOU	Declaration of moratorium and public announcement; Judicial pronouncements relating to the Moratorium u/s 14. and Appointment, tenure, and role of Interim Resolution Professional and Resolution Professional	IGNOU

Senior officers of IBBI participated as guests and faculty in several programmes during the quarter, the details of which are presented in Table 27.

Table 27: Participation of Senior Officers in Programmes

Sl.	Date	Organiser	Subject	Participation
1	28-01-22	IIPI	Webinar on Office Infrastructure and Usage of Technology by IPs	Mr. Shukla, WTM
2	08-02-22	IIPI	EDP on Mastering Avoidance/PUE Forensics	Mr. Shukla, WTM
3	11-02-22	IBBI and ICMAI RVO	Webinar on Need for Automated Valuation Models	Dr. Saini, WTM
4	11-02-22	Corporate Professionals	Webinar on Insolvency Law -Issues, Challenges and Road Ahead	Dr. Saini, WTM
5	12-02-22	IOV RVF	Webinar on Opportunities for Valuers: Role of Valuation Professionals in Emerging Business Scenario	Dr. Saini, WTM
6	02-03-22	IPA of ICMAI and ICMAI RVO	Conference on Evolution and Emerging scenario under IBC and Valuation	Dr. Saini, WTM

List of Abbreviations

AA	Adjudicating Authority
AFA	Authorisation for Assignment
AIMPL	Arcelor Mittal India Private Limited
BIFR	Board for Industrial and Financial Reconstruction
BLRC	Bankruptcy Law Reforms Committee
CD	Corporate Debtor
CEO	Chief Executive Officer
CIC	Credit Information Companies
CIRP	Corporate Insolvency Resolution Process
CIRP Regulations	IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016
CoC	Committee of Creditors
CPE	Continuing Professional Education
CPGRAMS	Centralised Public Grievance Redress and Monitoring System
DC	Disciplinary Committee
DHFL	Dewan Housing Finance Corporation Ltd.
DRT	Debt Recovery Tribunal
EMD	Earnest Money Deposit
ESIL	Essar Steel India Ltd.
FC/FCs	Financial Creditor / Creditors
FCDO	The Foreign, Commonwealth & Development Office
FiSP	Financial Service Provider
GIP	Graduate Insolvency Programme
GST	Goods and Services Tax
HC	High Court
IBA	Indian Banks' Association
IBBI / Board	Insolvency and Bankruptcy Board of India
IBC / Code	Insolvency and Bankruptcy Code
ICAI	Institute of Chartered Accountants of India
ICMAI	Institute of Cost and Management Accountants of India
ICSI	Institute of Company Secretaries of India
ICSI IIP	ICSI Institute of Insolvency Professionals
IGNOU	Indira Gandhi National Open University
IICA	Indian Institute of Corporate Affairs
IIIP ICAI	Indian Institute of Insolvency Professionals of ICAI
IP / IPs	Insolvency Professional / Professionals
IPA / IPAs	Insolvency Professional Agency / Agencies

IPE / IPEs	Insolvency Professional Entity / Entities
IRP	Interim Resolution Professional
IU / IUs	Information Utility / Utilities
IU Regulations	IBBI (Information Utilities) Regulations, 2017
LCD	Liquidation Commencement Date
Liquidation Regulations	IBBI (Liquidation Process) Regulations, 2016
MCA	Ministry of Corporate Affairs
MD	Managing Director
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprise
NCLAT	National Company Law Appellate Tribunal
NCLAT Rules, 2016	National Company Law Appellate Tribunal Rules, 2016
NCLT	National Company Law Tribunal
NeSL	National e-Governance Services Limited
NOC	No Objection Certificate
OC / OCs	Operational Creditor / Creditors
PG / PGs	Personal Guarantor / Guarantors
PMLA	Prevention of Money Laundering Act, 2022
PPIRP	Pre-packaged Insolvency Resolution Process
RA / RAs	Resolution Applicant / Resolution Applicants
RBI	Reserve Bank of India
RP	Resolution Professional
RV / RVs	Registered Valuer / Registered Valuers
RVO	Registered Valuer Organisation
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SBI	State Bank of India
SC	Supreme Court of India
SCC	Stakeholders Consultation Committee
SEBI	Securities and Exchange Board of India
SOP	Standard Operating Procedure
SRA	Successful Resolution Applicant
SSF	Special Situation Funds
Valuation Rules	The Companies (Registered Valuers and Valuation) Rules, 2017
WTM	Whole-time Member



भारतीय विफलता और प्रोपन व्यवस्था बोर्ड
Insolvency and Bankruptcy Board of India

INTERNATIONAL RESEARCH CONFERENCE ON
INSOLVENCY AND BANKRUPTCY
30th April 2022 (Saturday) & 1st May 2022 (Sunday)

Organised by
**Indian Institute of Management Ahmedabad &
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