

**Insolvency Professional Agency of Institute of Cost  
Accountants of India**

*Fortnightly Newsletter (8<sup>th</sup>)*

**16<sup>th</sup> – 31<sup>st</sup> July, 2017**



**INSOLVENCY PROFESSIONAL AGENCY OF INSTITUTE OF COST ACCOUNTANTS OF INDIA**

**INSTITUTE OF COST ACCOUNTANTS OF INDIA**

**CMA BHAWAN, 3, INSTITUTIONAL AREA**

**4<sup>TH</sup> FLOOR, LODHI ROAD**

**Disclaimer:**

*The material and information included in the 'Fortnightly Newsletter' has been prepared with due diligence and care. Adequate emphasis has been placed on collecting and reporting the content that might be most useful for value addition and for the knowledge of the members. Howsoever, IPA of ICAI shall not be held responsible for any loss or damage, resulting from any action taken on the basis of the contents of this Newsletter.*

**© The IPA of ICAI has all rights reserved for its 'Fortnightly Newsletter'. No part of this Newsletter may be copied or produced in any form or means without having the prior approval of the IPA.**

**Published by:**

**[Insolvency Professional Agency of Institute of Cost Accountants of India](#)**

**(Section 8 Company registered under the Companies Act, 2013)**

**CIN: U74999DL2016NPL308717**

4<sup>th</sup> Floor, CMA Bhawan, 3, Institutional Area,

Lodhi Road, New Delhi - 110003

Phone No: 011-24666112

Email: [ipa@icmai.in](mailto:ipa@icmai.in)



**President, The Institute of Cost Accountants of India, and  
Director, Insolvency Professional Agency of Institute of Cost Accountants of India**  
“CMA Bhawan”, 3 Institutional Area,  
4<sup>th</sup> Floor, Lodhi Road, New Delhi-110003

### **FOREWORD**

*Dear Professional Colleagues,*

*I feel happy that IPA of ICAI is issuing its eighth edition of the “Fortnightly Newsletter”. This edition of the Newsletter is divided into three modules, namely: (i) An Overview of some recent cases admitted/rejected by various benches of NCLT/High Court; (ii) Statistics- At a glance and (iii) Recent News Updates and Information- about IPA ICAI & Media Corner.*

*IPA ICAI believes in promoting continuous professional development of its professional members to achieve excellence in the field of Insolvency and Bankruptcy. Towards this objective, the Insolvency Professional Agency of Institute of Cost Accountants of India invited “Expression of Interest” for forming the study circles by the Insolvency Professionals enrolled with it in their regions/ areas. The Study Circles will deliberate and discuss on the latest developments in the field of Insolvency and Bankruptcy, important cases of NCLT/ NCLAT, High Courts and Supreme Court. This shall also an opportunity of sharing experiences by the Insolvency Professionals working as Interim Resolution Professionals (IRPs), Resolution Professionals (RPs) and Voluntary Liquidators.*

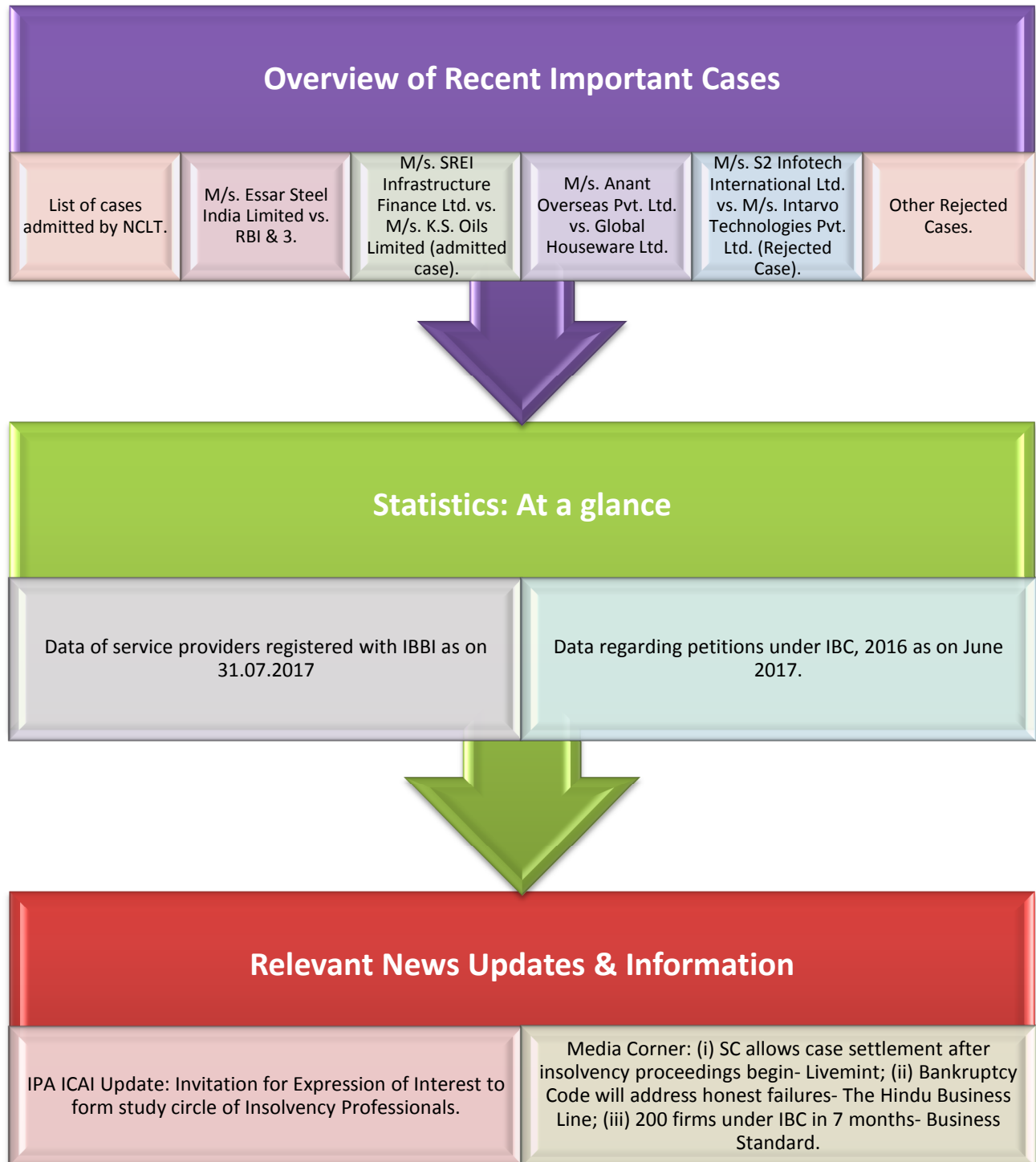
*I have a pleasure to inform that the Insolvency Professional Agency of Institute of Cost Accountants of India was associated with ASSOCHAM for the National Conference on Insolvency and Bankruptcy Code, 2016 at Bangalore organized on 28<sup>th</sup> July, 2017 where Dr. M.S. Sahoo, Chairperson, IBBI had graced the occasion. CMA P. Raju Iyer, Council Member of the Institute of Cost Accountants of India was also a speaker for the programme.*

*I congratulate the Insolvency Professionals who have qualified recently the Limited Insolvency professional Examination in new syllabus applicable from 1<sup>st</sup> July 2017 to 31<sup>st</sup> December, 2017 and enrolled with the Insolvency Professional Agency of Institute of Cost Accountants of India. I urge the members of Institute of Cost Accountants of India also to appear for this exam and register themselves as Insolvency Professionals and take up the Insolvency and Bankruptcy profession in addition to their existing profession.*

***With warm regards,***

***(CMA Sanjay Gupta)***

We welcome the readers to the eighth edition of the Fortnightly Newsletter of the Insolvency Professional Agency of Institute of Cost Accountants of India. This edition of the Newsletter is arranged in the following format:



## List of cases admitted by various benches of NCLT

Sr. No.	Name of Corporate Debtor	Name of Bench	Creditor/ Debtor	Section	Insolvency Professional	Amount of Default (Crore)
1	M/s. Bhushan Steel Limited	Principal Bench	Financial Creditor	7	Mr. Vijay Kumar V. Iyer	-
2	M/s. Bhushan Power and Steel Limited	Principal Bench	Financial Creditor	7	Mr. Mahender Kumar Khandelwal	-
3	M/s. Globe Express Services (Overseas Group) Ltd. & Anr	New Delhi Bench	Operational Creditor	9	Matter referred to IBBI for recommending the name of IRP.	0.23
4	M/s. Aggarwal Elastics vs. M/s. Anu Elastics Pvt. Ltd.	New Delhi Bench	Operational Creditor	9	Matter referred to IBBI for recommending the name of IRP.	-
5	State Bank of India vs. M/s. Garg Inox Ltd.	New Delhi Bench	Financial Creditor	7	Mr. Sanjay Gupta	185
6	M/s. Maheshwar Textiles vs. M/s. Zapp India Limited	New Delhi Bench	Operational Creditor	9	Matter referred to IBBI for recommending the name of IRP.	-
7	M/s. Su- Kam Power System Private Limited vs. M/s. Uniforce Energy Systems India Private Limited	New Delhi Bench	Operational Creditor	9	Mr. Satinder Kapur	3.21
8	State Bank of India vs. Alok Industries Ltd.	Ahmedabad	Financial Creditor	7	Mr. Ajay Joshi	-
9	M/s. Beeta Kone Tools vs. M/s. GEI Industrial Systems Ltd.	Ahmedabad	Operational Creditor	9	Matter referred to IBBI for recommending the name of IRP.	-
10	M/s. Seashells Infrastructures Pvt. Ltd. vs. Rajpur Hydro Power Pvt.	Chandigarh	Financial Creditor	7	Mr. Gurvinder Singh Sarin	-

	Ltd.					
11	State Bank of India vs. Monnet Ispat & Energy Limited	Mumbai	Financial Creditor	7	Mr. Sumit Binani	1539

**List of cases admitted by various benches of NCLT for Voluntary Liquidation**

Sr. No.	Name of Corporate Debtor	Name of Bench	Creditor/ Debtor	Section	Insolvency Professional	Amount of Default (Crore)
1	M/s. Speedmax Warehousing and logistics Private Limited	Bengaluru	Corporate Debtor	59	Mr. Binoy Chacko	-
2	M/s. Audience Science India Private Limited	Mumbai	Corporate Debtor	59	Mr. Sunil Gajanan Nanal	-
3	M/s. Vulcan Estates Private Limited	Kolkata	Corporate Debtor	59	Mr. Hanuman Mal Choraria	-
4	M/s. Ujjivan Social Services Foundation	Bengaluru	Corporate Debtor	59	Mr. Vinod Sunder Raman	-
5	M/s. Cupid Annibis Jewellery Private Limited	Mumbai	Corporate Debtor	59	Mr. Anil Seetaram Vaidya	-
6	M/s. Super Traditional Metal Crafts (Bombay)	Mumbai	Corporate Debtor	59	Mr. Anil Seetaram Vaidya	-

## An Overview of Recent Important Cases

### Case Highlights: Essar Steel India Limited vs. Reserve Bank of India & 3

**Case Title:** Essar Steel India Limited

(Initiation of Corporate Insolvency Resolution Process by Corporate Applicant/ Debtor)

**High Court:** Gujarat

**Relevant Section/Article:** Article 14, 19 (1) (g) & 226 of the Constitution of India

**Petitioner:** Essar Steel India Limited

**Respondents:** Reserve Bank of India, State Bank of India, Standard Chartered Bank & National Company Law Tribunal.

#### Objections raised by the Petitioner:

- The petitioner has challenged the decision of the RBI vide their press release dated 13.06.17 directing banks to initiate proceedings against 12 companies including the petitioner under the provisions of I & BC, 2016 and the decision of consortium of lenders to initiate petition u/s 9 of I & BC, 2016 and failure of consortium of Banks led by SBI to implement the package of debt restructuring approved by the Board of Directors of the Petitioner- Company.
- RBI's direction to NCLT to give priority to cases filed on the directives of RBI against the cases which are filed by other creditors or petitioners before the NCLT.
- While classifying the accounts, RBI has only focused on the largeness of the stressed accounts and has completely ignored the other relevant factors which ought to have been considered while taking such vital decision. Hence, the classification was clearly arbitrary, discriminatory and violative of Article 14 of the Constitution of India as it has no rational nexus to the object sought to be achieved.
- RBI has given six months time to many large defaulters to come clean and so the petitioner should have been given the same opportunity.
- Later RBI issued corrigendum dated 8<sup>th</sup> July 2017 by which it deleted the para "5. ...Such cases will be accorded priority by the National Company Law Tribunal (NCLT)." Stands deleted.

## Decision of the High Court:

**The Gujarat High Court allowed the Banks to initiate Insolvency Resolution Process against the petitioner. However, it also added the following crucial points in the judgment:**

1. RBI has to be careful while issuing press releases such that it must be in consonance with the Constitutional mandates. High Court decided that RBI is empowered to publish press release dated 13.6.2017 or not so far as directions to the Bank to initiate insolvency proceedings against companies, which are in debt to certain level or extent, the amended provisions of the Banking Regulation Act, 1949 in the form of Sections 35(AA) and (AB), certainly makes it clear that, now, RBI has such powers to issue certain directions to certain Banks and banking companies so as to see that there is proper recovery of public money or for any other such purpose. Therefore, the issuance of press release alone, cannot be quashed and set-aside.
2. RBI, to ensure that benefit of all its schemes is equally offered and extended to all without any discrimination.
3. Provisions of I & BC, 2016 may be drastic to some extent, but since it is part of statute which is yet not declared unconstitutional and therefore they are to be followed, but in consonance with the Constitutional mandates.
4. The adjudicating Authority needs to decide on its own based upon factual details that whether the insolvency petition is required to be admitted or not by judiciously applying the provisions of the Code and without being guided by any advice or directions in any form or nature like the impugned press release.
5. In view of the above facts and circumstances, the petition was disposed of with above observation/conclusions.

## Case Highlight: M/s. SREI Infrastructure Finance Ltd. vs. M/s. K. S. Oils Limited

**Case Title:** M/s. SREI Infrastructure Finance Ltd. vs. M/s. K.S. Oils Limited  
(Initiation of corporate insolvency resolution process by financial creditor)

**NCLT Bench:** Ahmedabad Bench

**Relevant Section:** Section 7

**Petitioner:** M/s. SREI Infrastructure Finance Ltd. (Petitioner/Financial Creditor)

**Respondent:** M/s. K.S. Oils Limited (Respondent/Corporate Debtor)



### **Case Facts:**

- Applicant sanctioned Rupee Term Loan of Rs. 100 Crore as per terms and conditions as enumerated in Rupee Loan Agreement entered into between the Applicant and Respondent as on 23.07.2010.
- Respondent failed and refused to make payment of its outstanding dues in accordance with the terms and conditions of the agreement. Various cheques given by the respondent towards repayment of its dues were also dishonoured for which the applicant initiated proceedings against the respondent under The Negotiable Instruments Act. On the request of the respondent, a supplementary agreement was executed on 02.09.11 between the Applicant, Respondent and the guarantor of the respondent and thereafter a master restructuring agreement dated 28.06.13 was executed between the parties but the respondent neglected to pay the outstanding amount.
- The respondent acknowledged the debt due to the financial creditors in its annual reports for the year 2011-12, 2012-13, 2013-14 and 2015-16.
- The applicant has filed an original application before DRT-Kolkata on 22.06.16 for recovery of dues against the respondent and the guarantor which was pending.
- The applicant has complied with all the procedural formalities pertaining to service of notice of default and notice of application to the respondent.
- Respondent in its reply has stated that initiation of CIRP was not in public interest. It was also stated that there were multiple litigations pending between the company and secured creditors including claims, counter claims, set offs and that the secured creditors were interested in realization of dues through direct sale under SARFAESI Act. Moreover, the incidence of default was the subject matter of adjudication before DRT, Kolkata.

### **Observations of the Tribunal**

1. The pendency of proceedings before the DRT and initiation of action under SARFAESI Act by other secured creditors was no ground to reject the application.
2. The main object of enacting 'Insolvency Code' is to have CIRP in respect of Corporate Debtors with an intention to revive the operations of corporate debtor without straightaway going to liquidation. In the process of resolution, every creditor has an opportunity and interest of every stakeholder is to be taken into consideration. The Corporate debtor, here is unable to pay debts to several creditors including the financial creditor. Therefore, to keep the corporate debtor away from the resolution process would not be in public interest including the interest of stakeholders.

## NCLT Ruling:

After due consideration of the facts and circumstances of the case and the submissions made from both the sides, the petition was admitted.

## Case Highlight: M/s. Anant Overseas Pvt. Ltd. vs. M/s. Global Houseware Ltd.

**Case Title:** M/s. Anant Overseas Pvt. Ltd. vs. M/s. Global Houseware Ltd.  
(Application to replace the Interim Resolution Professional)

**NCLT Bench:** Principal Bench

**Relevant Section:** Section 22(3)(b)

**Petitioner:** M/s. Anant Overseas Pvt. Ltd.

**Respondent:** M/s. Global Houseware Ltd.

The said case was admitted by the Principal Bench of NCLT vide its order dated 03.05.17 whereby Mr. Ashwani Kumar was appointed as Interim Resolution Professional.

Subsequently, the application was filed u/s 22 (3) (b) of I & BC, 2016 to replace Mr. Vijender Sharma in place of Mr. Ashwani Kumar as the Resolution Professional as per the decision of the committee of creditor which had resolved with 92.03% of voting to replace an earlier IRP with any other suitable professional.

However, on behalf of the operational creditor- petitioner, it was submitted that the earlier resolution professional Mr. Ashwani Kumar may be permitted to continue on the condition that operational creditor-petitioner would bear his fees which is in excess of Rs. 2 lacs.

### Observation of the Tribunal:

92.03% of the votes in the meeting of the Committee of Creditors were in favour to replace the existing IRP. Therefore the requirements of statutory provisions stand satisfied.

The submission made on behalf of operational creditor cannot be accepted as it smells of some bias. The offer of paying the fee of the IRP beyond Rs. 2 lacs was an extra-ordinary factor which could not be countenanced. Therefore, the argument was rejected.

## NCLT Ruling:

Accordingly, the matter was referred to IBBI for recommendation of the name of Resolution Professional. Later, The Tribunal issued an order dated 24.07.17 wherein the recommendation made by IBBI was accepted and accordingly, Mr. Vijender Sharma was appointed as the resolution professional.

## Rejected Cases

### Case Highlight: M/s. S2 Infotech International Ltd. vs. M/s. Intarvo Technologies Pvt. Ltd.

**Case Title:** M/s. S2 Infotech International Ltd. vs. M/s. Intarvo Technologies Pvt. Ltd.  
(Initiation of Corporate Insolvency Resolution Process by Operational Creditor)

**NCLT Bench:** Principal Bench

**Relevant Section:** Section 9

**Petitioner:** M/s. S2 Infotech International Ltd. (Operational Creditor)

**Respondent:** M/s. Intarvo Technologies Pvt. Ltd. (Corporate Debtor)

## Case Facts

- The petition is filed by the operational creditor who is an outsourced service provider for providing supplementation in the corporate office of the corporate debtor.
- An agreement was executed by and between parties on 25.08.2014 whereby the invoices raised were required to be paid within a period of 30 days from the date of such invoice being raised.
- An invoice of sum of Rs. 26,38, 811/- dated 08.06.2015 was raised which was required to be paid in full. However, only a part payment was made and a sum of Rs. 8,28,394/- was due and payable on the part of the corporate debtor.
- Notice was issued by the operational creditor u/s 8 of the I & BC, 2017 on 06.02.2017 by way of speed post, demanding payment of unpaid balance amount when even after several reminders, the corporate debtor failed to pay the balance payment.

- Despite notice, the amount remains unpaid and the corporate debtor has also failed to produce satisfactory proof for having paid the unpaid amount within the statutory period of 10 days from the date of receipt of notice. The operational creditor also did not raise any notice of dispute. Hence, is constrained to file the present petition.

#### **Observation of the Tribunal:**

Under I & BC, 2016, the onus has been placed on the operational creditor to issue notice twice (i) once in relation to the notice of demand of unpaid amount and (ii) in relation to notice of application filed before the Tribunal in case of non-payment of amount claimed within a period of 10 days. The notice shall be in such form and manner and shall be accompanied with such documents as provided in the relevant Rules under I & BC, 2016.

- Operational Creditor failed to comply with the mandatory requirement of serving notice of demand as well as notice of application on the corporate debtor at its registered office nor has it complied with the provisions of section 9 (3) in relation to documents to be annexed along with the application, in the sense that a copy of certificate from the financial institution maintaining the accounts of the operational creditor confirming that there is no payment of operational debt by the corporate debtor which was not furnished before the Tribunal.
- No satisfactory proof of service of notice of default was enclosed for the verification of the Tribunal.
- Further, in relation to notice of application sent by the petitioner, a tracking report was produced as an Annexure to the affidavit which shows that on 05.06.17, an attempt to deliver the postal cover was made but remained unclaimed. Hence, under such circumstances, the Tribunal was left with no other option than to conclude that both demand notice and notice of application has not been served on the corporate debtor as required under the provisions of I & BC, 2016 and rules made thereunder.

#### **NCLT Ruling:**

Accordingly, the matter was dismissed for non-compliance of procedural formalities.

## Other Rejected Cases

Sr. No.	Name of the Case	Case Status
1.	Mr. Sanjeev Jain vs. M/s. Eternity Infracon Pvt. Ltd.	<p>The matter was filed under section 9 of The Insolvency &amp; Bankruptcy Code, 2016 before the New Delhi Bench of National Company Law Tribunal.</p> <p>This matter was rejected on the ground that the applicant was not an operational creditor and the debt in question could not be treated as operational debt.</p>
2.	M/s. Zync World Pvt. Ltd. vs. Steren Associates Pvt. Ltd.	<p>The matter was filed under section 9 of The Insolvency &amp; Bankruptcy Code, 2016 before the New Delhi Bench of National Company Law Tribunal.</p> <p>This matter was dismissed as withdrawn by the petitioner.</p>
3.	M/s. Sri Pitambara Enterprises vs. M/s. Valeda Herbals Pvt. Ltd.	<p>The matter was filed under section 9 of The Insolvency &amp; Bankruptcy Code, 2016 before the New Delhi Bench of National Company Law Tribunal.</p> <p>This matter was rejected on the ground that the corporate debtor has raised dispute with sufficient particulars. Hence, the amount of claim raised by the operational creditor clearly falls within the ambit of disputed claim.</p>
4.	Industrial & Commerce Bank of China vs. Alok Industries Ltd.	<p>The matter was filed under section 7 of The Insolvency &amp; Bankruptcy Code, 2016 before the Ahmedabad Bench of National Company Law Tribunal.</p> <p>The petition was filed by the applicant for intervention in the proceedings of SBI against Alok Industries Ltd. for triggering Insolvency Resolution Process u/s 7 of the I &amp; BC, 2016. The Tribunal felt that there was no need to permit the applicant to intervene the proceedings of the said case and that too at such advanced stage of hearing when the matter was listed for pronouncement of orders. Hence, the application was dismissed.</p>

5.	M/s. Agricore Commodities Pvt. Ltd. vs. Anil Ltd.	<p>The matter was filed under section 9 of The Insolvency &amp; Bankruptcy Code, 2016 before the Ahmedabad Bench of National Company Law Tribunal.</p> <p>This matter was dismissed as withdrawn by the petitioner.</p>
6.	M/s. Eshaani Fashion pvt. Ltd. vs. M/s. Jaibhagwati Textprint Pvt. Ltd.	<p>The matter was filed under section 9 of The Insolvency &amp; Bankruptcy Code, 2016 before the Ahmedabad Bench of National Company Law Tribunal.</p> <p>This matter was dismissed as withdrawn by the petitioner.</p>
7.	Sandira D'Souza & Others vs. Elektrans Shipping Pvt. Ltd.	<p>The matter was filed under section 9 of The Insolvency &amp; Bankruptcy Code, 2016 before the Mumbai Bench of National Company Law Tribunal.</p> <p>This matter was dismissed on the ground that the part of the claim mentioned in the petition was already disputed before the labor court by the petitioner themselves. The dispute in respect of a claim was pre-existing before the court of law on the date of filing notice u/s 8.</p>

## Statistics: At a glance

(i) **Total number of service providers registered with IBBI as on 31.07.2017:**

Sr. No.	Service Provider	Number (s)
1.	Insolvency Professionals	581
2.	Insolvency Professional Entities	24
3.	Insolvency Professional Agencies	3
4.	Information Utilities (IUS)	NIL

(ii) **Data/Information regarding petitions under IBC, 2016 as on 31.07.17**

NATIONAL COMPANY LAW TRIBUNAL					
S. No.	Bench Name	Total number of winding up petitions received on transfer from High Court till date.	No. of cases admitted under IBC 2016 out of number given in Column No. (3)	Total number of fresh petitions filed for corporate insolvency resolution process under IBC 2016 till date.	No. of cases admitted under IBC 2016 out of number given in Column No. (5)
(1)	(2)	(3)	(4)	(5)	(6)
1	Principal Bench	324	3	149	24
2	New Delhi Bench	2	2	49	11
3	Allahabad Bench	9	0	26	9
4	Ahmedabad Bench	35	0	44	19
5	Bengaluru Bench	135	0	45	5

6	Chandigarh Bench	116	0	50	14
7	Chennai Bench	467	7	80	25
8	Guwahati Bench	2	0	3	1
9	Hyderabad Bench	13	1	47	6
10	Kolkata Bench	65	0	94	15
11	Mumbai Bench	915	5	254	42
<b>Total</b>		<b>2083</b>	<b>18</b>	<b>841</b>	<b>171</b>



## Relevant News Updates & Information

### 1. IPA ICAI Update:

#### IPA ICAI invites expression of interest to form study circle of Insolvency Professionals

Insolvency Professional Agency of Institute of Cost Accountants of India invites applications from the Insolvency Professionals enrolled with it to act Coordinator and to form “*Study Circle of Insolvency Professionals*” in their Region/city/vicinity to discuss the latest developments in the field of Insolvency and Bankruptcy, important case laws decided by NCLT/ NCLAT, High Courts/Supreme Court, difficulties being faced by the Insolvency Professionals in discharging their functions and duties as enshrined in Insolvency and Bankruptcy Code 2016, Rules and Regulations framed thereunder.

The objective of formation of Study Circle of Insolvency Professionals is to reach the unreached and disseminate the knowledge amongst the Insolvency Professionals, and sharing of knowledge by the Insolvency Professionals with respect to the work handled by them as Interim Resolution Professionals (IRPs)/ Resolution Professionals (RPs) in the course of Corporate Insolvency Resolution Process (CIRP) and Voluntary Liquidation.

The Insolvency Professional who volunteers to form “Study Circle of Insolvency Professionals” shall be designated as Coordinator for the selected City/Vicinity.

Members are requested to kindly send the expression of interest by 31st July 2017 at the email: ipa@icmai.in and ipaicmai@gmail.com.

### 2. Media Corner:

#### (i) Supreme Court allows case settlement after insolvency proceedings begin

In the case of **M/s. Nisus Finance & Investment Managers, LLP vs. M/s. Lokhandwala Kataria Constructions Pvt. Ltd.**, after it was admitted by the Mumbai Bench of NCLT, the company and the creditor approached the National Company Law Appellate Tribunal (NCLAT) saying that the two had settled the dispute and that some of the dues had already been paid.

NCLAT on 13<sup>th</sup> July said that under I & BC, 2016, **a case can be withdrawn before the admission of an insolvency case, and not after that.**

The parties then filed a plea with the Supreme Court, which allowed a settlement to be considered under article 142 of the Indian constitution.

The Supreme Court ruled that a settlement can be considered and a **case can be withdrawn after insolvency proceedings have started against a company.**

It was further added that Article 142 is restricted to facts of a particular case and may not act as a precedent for the NCLT or NCLAT to allow an out-of-court settlement in every insolvency case. In the order, Supreme Court also observed that NCLT and NCLAT do not have inherent powers and will be ruled by provisions of IBC.

To read the complete article, log on to:

<http://www.livemint.com/Industry/w0sBSJatwbM1wXv2vaIX1/Supreme-Court-allows-case-settlement-after-insolvency-procee.html>

## **(ii) Bankruptcy Code will address honest failures: IBBI Chief**

The Insolvency and Bankruptcy Code (IBC) 2016 provides the ultimate economic freedom to exit, and also a mechanism to address honest, relative failures, said MS Sahoo, Chairperson, Insolvency and Bankruptcy Board of India (IBBI).

Addressing ASSOCHAM's national conference on 'IBC: Protects interests of stakeholders and promotes ease of doing business', Sahoo said: "It enables an honest firm, inclusive institution, undeterred by fear of failure to come in, get out, and thereby realising the full potential of every person."

In the process, the Code improves ease of doing business, promotes entrepreneurship, develops corporate debt market, increases options for corporate debt financing and balances the interest of various stakeholders.

The IBC endeavours to prevent insolvency, if possible, and allows stakeholders to themselves take the call by providing a market-driven, time-bound mechanism for resolution of insolvency wherever possible, Sahoo said.

He added that wherever the resolution of insolvency is not possible, the Code promotes ease of exit and provides facilitators for quick and effective resolution.

To read the complete article, log on to:

<http://www.thehindubusinessline.com/news/ibbi-chief-bankruptcy-code-will-address-honest-failures/article9792747.ece>

**(iii) 200 firms under IBC in 7 months, says IBBI Chief M.S. Sahoo: Business Standard**

In the seven months since the Insolvency and Bankruptcy Code (IBC) became operational, the resolution process for 200 companies has started, said Insolvency and Bankruptcy Board of India (IBBI) Chairman M S Sahoo in an event **“Decoding the Insolvency and Bankruptcy Code”**, organised by the IBBI and FICCI in the national capital on 29.07.17

This includes the 12 large accounts that were referred to the National Company Law Tribunal (NCLT) by the Reserve Bank of India (RBI).

A number of steel and power companies have moved the NCLT to file for Insolvency, so that they can restructure themselves. Only a few cases have been filed by financial creditors. Debtors and operational creditors have been the ones filling most of the cases, said the regulator.



Insolvency Professional Agency of  
Institute of Cost Accountants of India

## Insolvency Professional Agency of Institute of Cost Accountants of India (IPA of ICAI)

(Section 8 Company of the Institute of Cost Accountants of India)

**About IPA of ICAI:** *The Insolvency Professional Agency of Institute of Cost Accountants of India (IPA of ICAI), a section 8 company incorporated under the Companies Act 2013 has been promoted by the Institute of Cost Accountants of India to enroll and regulate Insolvency Professionals (IPs) as its members in accordance with provisions of the Insolvency and Bankruptcy Code 2016, Rules, Regulations and Guidelines issued thereunder.*

### Enroll and Register as an Insolvency Professional

#### **Enrollment is Open: For Professionals & Advocates and Graduates having Management Experience**

IPA of ICAI enrolls the professionals as 'Insolvency Professionals' under Regulation 7 read with Regulations 4 & 5 of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, if

1. He/she has passed the '*Limited Insolvency Examination*', conducted by the Insolvency & Bankruptcy Board of India (IBBI) and
2. Has/she has ten years of experience as -
  - (a) a cost accountant enrolled as a member of the Institute of Cost Accountants of India,
  - (b) a chartered accountant enrolled as a member of the Institute of Chartered Accountants of India,
  - (c) a company secretary enrolled as a member of the Institute of Company Secretaries of India, or
  - (d) an advocate enrolled with a Bar Council

OR

#### **Professional may function as:**

- ❖ Interim Insolvency Professional in Corporate, Individual and Partnership Insolvency Process; Fast Track Corporate Insolvency Process; and Fresh Start Process;
- ❖ Resolution Professionals for Corporate, Individual and Partnership Insolvency Process; Fast Track Corporate Insolvency Process; and Fresh Start Process;
- ❖ Liquidator in Liquidation Process for Corporate Persons;
- ❖ Liquidator in Voluntary Liquidation for Corporate Persons;
- ❖ Bankruptcy Professional for Bankruptcy of Individual and Partnership Firm.

#### **Why to enroll as Insolvency Professional .....**

- ✚ It's a niche area of practice with opportunities galore
- ✚ With the first mover's advantage, there is an opportunity to create a brand name
- ✚ Adequate handholding from IBBI and the IPA of ICAI

**CMA J. K. Budhiraja**

**CEO, Insolvency Professional Agency of Institute of Cost Accountants of India**

#### **Registered Address:**

CMA Bhawan, 4<sup>th</sup> Floor, 3, Institutional Area, Lodhi Road,  
New Delhi- 110003

**Phone No.:** 011 24666141, 24666120

**Mail Id:** [ipa@icmai.in](mailto:ipa@icmai.in)

**Website:** [www.ipaicmai.in](http://www.ipaicmai.in)

