



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

Insolvency and Bankruptcy News

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Digitalisation of IBC



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'Insolvency and Bankruptcy Code (IBC) is also an important reform measure that has resulted in robust banking systems in India. These banks have been able to provide the resources for industry to grow'

Shri Piyush Goyal, Hon'ble Union Minister for Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, during his address at 27th Edition of Wharton India Economic Forum, January 7, 2023.

'In its six years of existence, the IBC has proven to be a dynamic code, which constantly adapts to the realities of the Indian society...The winding-up process of companies has become significantly more efficient since the promulgation of the IBC. Faster resolution of cases has spurred M&A deals in India, as bidders can more easily acquire stressed assets at lucrative prices and a number of companies are closer to the conclusion of their resolution processes'



Justice Sanjay Kishan Kaul, Hon'ble Judge, Supreme Court of India, during inaugural conference of the Insolvency Law Academy (ILA) on Emerging Global Insolvency Horizon: Indian Footprint & Front View, February 4, 2023.

From Chairperson's Desk

Digitalisation of IBC

The IBC ecosystem needs to harness the use of information technology (IT) to drive the processes in a more efficient and effective manner. The stakeholders of IBC presently work in silos and have their separate fragmented technological platforms. There is need for a comprehensive IT platform that can ensure end-to-end integration and digitisation of the processes and serve as a single source of truth. An integrated platform would improve the outcomes of the insolvency process including minimising delays, increased transparency, increased participation of resolution applicants, facilitation in effective decision making, maximisation of value etc.

Present challenge - Disintegrated IT platforms: The technological interventions for processing and storing of data are driven by the following core separate institutions / pillars and are restricted to their individual mandates. A brief status of present disintegrated systems of the said five pillars is as follows:

- a. **National Company Law Tribunal (NCLT)** - The NCLT has an 'e-courts' platform for petitioners and respondents to submit their papers online. The Registry carries out scrutiny and confirms these submissions. The system reflects the status of each petition for stakeholders in the public domain.
- b. **Insolvency and Bankruptcy Board of India (IBBI)** - IBBI portal provides platform for compliance reporting and monitoring of cases and Insolvency Professionals (IPs). The IBBI website also acts as a repository of orders, resources for IPs, publications for market and researchers, data on cases, information regarding IPs etc. for use by the public and other stakeholders. It also disseminates public announcements and expression of interests (EoIs), auction announcements etc.
- c. **Insolvency Professional Agencies (IPAs)** - IPAs have websites and online portals for their IP members for registration and other compliance requirements like cost and relationship disclosures.
- d. **Ministry of Corporate Affairs (MCA)** - The debtor companies incorporated under the Companies Act, 2013 or earlier Acts are all a part of the MCA 21 portal of the MCA. This portal enables compliances under the Companies Act, 2013 at all times including compliances by the IP during insolvency proceedings. It contains information regarding directors, charges, status of insolvency resolution, etc.
- e. **Information Utility (IU)** - National e-Governance Services Ltd. (NeSL), the only IU registered under the Code, acts as the repository of all debt and default information provided by the creditors. It offers authentication /verification services for such debt and default. It is also an empanelled platform for distressed assets (PDA) offering services for facilitation of work of the IPs.
- f. **IPs** - Case management software being used by IPs.

The present challenge is that there is little or no technological interactions between these pillars / institutions. The portals/ systems of the institutions are all disparate and mostly work in silos with limited exchange of information. There is a need for these systems to be integrated and inter-linked to each other in a structured manner to streamline their interactions.

Scope / potential of integrations: There is a significant scope of integration of the present systems starting from filing of insolvency applications based on record of defaults generated by the IU, online filing of replies and template-based forms, communication of IPs with the stakeholders, reporting of the process outcomes to the IBBI, inter-creditor interactions, etc. IPs face great difficulty in obtaining records from the promoters of the corporate debtor (CD) and there are disputes raised by both parties about what information has been submitted and what is still pending to be submitted. If the information is submitted on a single platform, there will be a single source of truth which can be viewed by all parties having access to that information. The platform can facilitate interaction between

representatives of class of creditors (like home buyers) and other creditors and allow creditors to watch the progress of their case. Predictive coding can also be employed to conduct a review of the company's books and records to search for leads. Technology assisted review could retrieve the relevant documents by searching through a large number of documents.

If the interactions, as mentioned above, are conducted on an integrated platform, the information can flow efficiently and quickly throughout the system, which will further help the NCLT benches in quickly establishing the facts and thereby curtailing process delays. If information is submitted in a timely manner, monitoring would be better and NCLT can quickly decide about the alleged violation of compliances. In fact, all relevant regulators can view the nature of cooperation being extended.

Incremental approach towards Integrated Comprehensive System

Sl.	Institution & Platform	Illustrations of proposed modernisation
1	NCLT: E-Courts	<ul style="list-style-type: none"> • Validation based, machine readable applications • End-to-end digitisation of process • Categorisation and prioritisation of processing of applications based on pre-determined criteria • Technology aided review of cases • Artificial Intelligence (AI) and predictive coding to cull out relevant case laws
2	IBBI Portal	<ul style="list-style-type: none"> • Integration of various sub-systems being used at present and having internal and external interface • Single compliance form for IPs • Integration with IT platforms of IPAs as well as other stakeholders. • Use of AI for analysis of data for policy inputs
3	MCA 21	<ul style="list-style-type: none"> • Streamlining information related to charges, directors, latest financial statements, loan related reporting, etc. in line with requirements of processes under the Code • Virtual Data Room for IBC cases
4	IU (NeSL)	<ul style="list-style-type: none"> • Streamline the debt and default related authenticated data • Developing portal for submission of authenticated claims through IU • Development of PDAs for corporate insolvency resolution process (CIRP) and liquidation processes.
5	IPs	<ul style="list-style-type: none"> • Development of a standardised template for an effective case management system for IPs • IT Enabled Services on portal for supporting IP in his duties and processing and storing of record.

A comprehensive end-to-end technology solution would cover all the activities in the IBC ecosystem from debt and default filing to implementation of resolution plan. It will increase the efficiency of the whole system by providing a single source of truth to all players. It will greatly facilitate the NCLT benches to establish facts and decide quickly, with improved outcomes in terms of time and realisations, in line with the vision of Digital India.

(Ravi Mital)

IBBI Updates

6th Insolvency Professionals' Conclave

The IBBI in association with the three IPAs organised 6th IP Conclave on January 20, 2023 at Chennai. The conclave was co-hosted by the Committee on Insolvency & Bankruptcy Code of the Institute of Chartered Accountants of India. The event attracted overwhelming participation of IPs. Chief Justice (Retd.) Mr. Ramalingam Sudhakar, Hon'ble President, NCLT graced the occasion as Chief Guest. In his address, he called upon the IPs to work efficiently for providing effective assistance to the Adjudicating Authority (AA) in the interest of smooth execution of the processes. He also reinforced that the IPAs should take lead in implementing best practices in the insolvency profession.



6th IP Conclave at Chennai, January 20, 2023



Chief Justice (Retd.) Shri Ramalingam Sudhakar, Hon'ble President, NCLT, January 20, 2023

Mr. Ravi Mital, Chairperson IBBI, while delivering a special address, underscored the critical role of an IP and urged the stakeholders to ensure timely identification of stress, filing of applications and execution of the processes to ensure resolution and maximisation of value of assets of CD.



Mr. Ravi Mital, Chairperson IBBI, January 20, 2023

Mr. Sameer Kakar, Hon'ble Member (Technical), NCLT, Chennai Bench called upon IPs to exercise abundant care and diligence in handling proceedings before the AA. Ms. Anita Shah Akella, Joint Secretary, MCA outlined the path-breaking journey of the IBC, and Mr. Sudhaker Shukla, WTM, IBBI in his address succinctly dwelt upon the proposed reforms in the discussion paper released by the MCA.



Mr. Sameer Kakar, Hon'ble Member (Technical), NCLT, Chennai Bench, January 20, 2023



Ms. Anita Shah Akella, Joint Secretary, MCA, January 20, 2023



Mr. Sudhaker Shukla, WTM, IBBI, January 20, 2023

2nd International Research Conference

The 2nd International Research Conference on Insolvency and Bankruptcy was organised by the IBBI, jointly with the Indian Institute of Management, Bangalore (IIMB), at the IIMB campus at Bangalore from February 23 to 25, 2023. The three-days conference was attended by over 200 participants through physical presence and around 1000 online.

The conference was inaugurated by Hon'ble Mr. Ramalingam Sudhakar, President NCLT. Hon'ble Justice Kannan Ramesh, Judge, Appellate Division, Supreme Court of Singapore and Judge, Singapore International Commercial Court; Mr. Chandru K. Iyer, Hon'ble British Deputy High Commissioner; and Mr. Ravi Mital, Chairperson, IBBI delivered the special addresses during the inaugural session of the conference.

The three-days research conference was supported by the Centre for Capital Market and Risk Management, IIMB and co-sponsored by British High Commission, New Delhi, NeSL, SIDBI, Union Bank of India and Bank of Maharashtra and co-supported by ILA. The event attracted and engaged the finest minds in banking, industry, law, research and academia from India and abroad, discussing on a wide range of contemporary and emerging issues in the insolvency and bankruptcy space. During the conference, knowledge products in the insolvency domain were presented by 39 scholars of economics, law, finance, banking and management. International experience in insolvency was shared and discussed by international scholars from countries like Australia and England, as part of the conference.

Hon'ble Mr. Ramalingam Sudhakar, President NCLT, in his address, noted the efforts of IBBI in redefining the Code and recognised the need of steps to be taken for further work to be done in the insolvency ecosystem. He further highlighted that good research on the subject of insolvency is crucial in the context of assisting the judiciary in resolving insolvency cases.



*Hon'ble Mr. Ramalingam Sudhakar, President NCLT,
February 23, 2023*

Hon'ble Justice Kannan Ramesh, Judge, Appellate Division, Supreme Court of Singapore and Judge, Singapore International Commercial Court, highlighted the importance of cooperation and communication between courts in cross-border insolvency matters under whose supervision such proceedings are conducted. Mr. Chandru K. Iyer, Hon'ble British Deputy High Commissioner highlighted the rich history of cooperation and trade and investment relationship between UK and India in many areas including the area of insolvency and bankruptcy.

Shri Ravi Mital, Chairperson, IBBI, in his address, noted the importance of evidence-based research in policy making. He emphasised that the research endeavors should be of ongoing nature to help the regulations and law making in the area of insolvency. Prof. Rishiksha T Krishnan, Director, IIMB delivered the welcome address and Mr. Jayanti Prasad, WTM, IBBI delivered a vote of thanks at the end of the inaugural session.



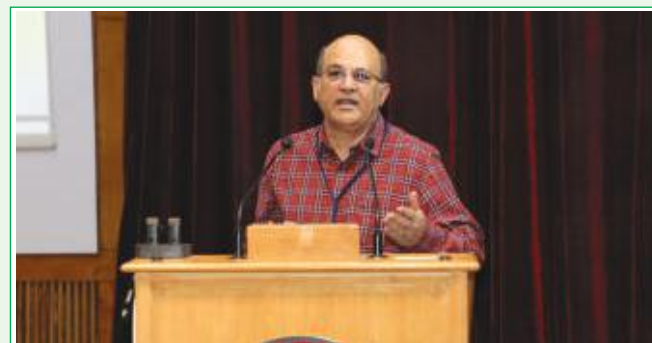
*Hon'ble Justice Kannan Ramesh, Judge, Appellate Division, Supreme Court of
Singapore and Judge, Singapore International Commercial Court,
February 23, 2023*



*Mr. Chandru K. Iyer, Hon'ble British Deputy High Commissioner,
February 23, 2023*



Mr. Ravi Mital, Chairperson, IBBI, February 23, 2023



Prof. Rishiksha T Krishnan, Director, IIMB, February 23, 2023



Mr. Jayanti Prasad, WTM, IBBI, February 23, 2023

The event was also marked by a keynote address on 'Political Economy of Rulemaking' by Prof. Vikrant Vig, Henry D. Bullock Chaired Professor of Finance Kellogg School of Management, Northwestern University. Mr. Jayadev M, Professor, IIMB introduced the session and Mr. Sudhaker Shukla expressed his special remarks at the end of the session.



Mr. Sudhaker Shukla, WTM, IBBI, February 23, 2023

A valedictory lecture and keynote address on ‘Reinventing insolvency law in emerging markets’ was delivered by Mr. Aurelio Gurrea Martinez, Associate Professor, Singapore Management University with special remarks by Mr. Ramasubramanian S, ED, Union bank of India. The conference included three panel discussions on the theme ‘Insolvency Resolutions: A Special Case for SMEs’, ‘Next-Generation Reforms in Insolvency’, and ‘IBC – Perspectives of Key Stakeholders’, in addition to a workshop on data driven insolvency research.



Workshop on data driven insolvency research, February 25, 2023

International Women’s Day

Taking forward the Government of India’s agenda of Women Empowerment and in order to promote more women professionals to take active role in insolvency related professional engagements, the IBBI commenced a week-long celebration of the International Women’s Day with an event on March 1, 2023 in association with IOV RVF, ICAI RVO, DJF and IBVA at the SCOPE complex, New Delhi. Further, the IBBI organised an event on March 3, 2023, on the lines of this year’s United Nations’ theme ‘DigitALL: Innovation and Technology for Gender Equality’. Dr. (Ms.) Mukulita Vijayawargiya, Former WTM, IBBI was the Chief Guest at the occasion. The other dignitaries who spoke on the occasion were Ms. Mamta Binani, IP; Ms. Pooja Bahry, IP; Ms. Ritu Rastogi, IP; Ms. Monika Agarwal, IP & Registered Valuer; and Ms. (Dr.) Kokila Jayaram, Joint Director, Ministry of Health & Family Welfare. The speakers highlighted the important contributions made by women in all aspects of life and the immense challenges they face. The role of women as a source of value system of the society was emphasised along with sharing of experiences and success stories with the participants. Similar other events were organised in association with IPA ICAI, IIP ICAI and ICAI RVO as part of the celebrations.



Panel Discussion-I on ‘Insolvency Resolutions: A Special Case for SMEs’, February 24, 2023



Panel Discussion-II on ‘Next-Generation Reforms in Insolvency’, February 24, 2023



International Women’s Day Celebrations, March 3, 2023



Panel Discussion-III on ‘IBC – Perspectives of Key Stakeholders’, February 25, 2023

Human Resources

Employee Trainings and Workshop

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

Date	Organised by	Nature of the programme/Subject	No. of Officers
17-01-23	American Bankruptcy Institute, INSOL International	INSOL International & ABI Dubai Seminar	2

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

Date	Nature of Programme/Subject	Faculty
10-01-23	Research Methodology	Dr. William Joe, Institute of Economic Growth
27-03-23	UK out of court settlement procedure	FCDO UK
31-03-23	Regulation, Investigations and Disciplinary Actions against Insolvency Practitioners	FCDO UK

Legal and Regulatory Framework

Central Government

Exemption under section 10 of the Income-tax Act, 1961

The Ministry of Finance vide its notification dated March 1, 2023 has notified the IBBI, a Board established by the Central Government, for the purposes of clause (46) of section 10 of the Income-tax Act, 1961 in respect of the specified income of the Board. This notification is applicable for five financial years till FY2026-27.

Invitation of comments from public on changes being considered to the Code

Vide notification dated January 18, 2023, the Central Government invited public comments from stakeholders on changes being considered to the Code in relation to the admission of CIRP applications, streamlining the insolvency resolution process, recasting the liquidation process, and the role of service providers, with a view to further strengthen the functioning of the Code. The suggestions/comments, if any, along with brief justification were invited online till February 7, 2023.

Report of CBIRC-II on Group Insolvency

The Cross-Border Insolvency Rules/Regulations Committee (CBIRC-II) submitted the second part of its report on Enterprise Group Insolvency on December 10, 2021. The Report provides recommendations on the design of a group insolvency framework under the Code, and regarding the adoption of the UNCITRAL Model Law on Enterprise Group Insolvency (MLEGI) in India. The suggested draft provisions for facilitating group insolvency, which may be inserted in the Code, are also provided in the said Report.

IBBI

Circular - Serving of copy of applications to the Board

The Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (AA Rules) obligates an applicant to provide a copy of the application for initiating CIRP against a CD, inter alia, to the Board, before filing the same with the AA. The IBBI vide its circular dated March 4, 2023 has made available a facility on its website for serving a copy of the application online to the Board. The circular is issued in supersession of IBBI's circular no. IBBI/IU/35/2020 dated October 29, 2020.

Orders

Supreme Court

Sabarmati Gas Ltd. Vs. Shah Alloys Ltd. [Civil Appeal No. 1669 of 2020]

CD approached the Board for Industrial and Financial Reconstruction (BIFR) to be declared as a 'sick unit' and for recommendation of a plan for its rehabilitation, in terms of the provisions under the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). An operational creditor (OC) filed an application before BIFR to approach the civil court, which was allowed. Meanwhile, SICA got repealed and the Code was enacted. Then, the OC issued a demand notice to the CD under section 8 of the Code. The AA dismissed the application on the ground of being barred by limitation and existence of a 'pre-existing dispute' between the parties. In appeal, the NCLAT upheld the order of the AA. In the appeal preferred by OC against order of the NCLAT, the SC held that there existed a 'pre-existing dispute' between the parties therefore, matter cannot be remanded to the AA for reconsideration. It explained that the expression 'pre-existing dispute' indicates the existence of a dispute prior to the receipt of a demand notice under section 8. The SC also observed that under section 5 of the Limitation Act, 1963, showing 'sufficient cause' is the only criterion for condoning delay.

Shekhar Resorts Limited (Unit Hotel Orient Taj) Vs. Union of India & Ors. [Civil Appeal No.8957 of 2022]

While the moratorium in respect of the CD was in force, the Central Government launched the tax benefit scheme, 'Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019', whereby on payment of pre-determined settlement amount under the Scheme, the discharge certificate could be issued to the CD. The RP applied under this Scheme and the Designated Committee determined ₹1,24,28,500/- payable by the CD before the stipulated date. As the CD could not make payment during the ongoing moratorium, payment of the determined amount subsequently by the RP was refused as the last date for payment under the

Scheme had lapsed. The Allahabad HC dismissed the writ petition filed by the RP against such refusal as the Scheme had ceased to exist. In the appeal, the SC observed that the CD cannot be punished for being unable to deposit the determined amount due to its debarment on account of moratorium under the Code. It set aside the HC order and held that CD was entitled for the benefit of Scheme and observed no party should be left remediless and no law would compel a person to do the impossible.

Jalan Fritsch Consortium Vs. Regional Provident Fund Commissioner & Anr. [Civil Appeal No. 407 of 2023 with Civil Appeal Nos. 465-469 of 2023]

The SC upheld the decision of the NCLAT that had allowed the workmen the payment of their gratuity dues as on the insolvency commencement date (ICD), after adjusting any amount towards gratuity paid under the resolution plan. It ordered payment of full gratuity and provident fund to all workmen and employees who have resigned or retired, and the calculation should be done as on ICD.

Victory Iron Works Ltd. Vs. Jitendra Lohia & Anr. [Civil Appeal No.1743 and 1782 of 2021]

CD provided finance to a corporate person/ostensible owner for purchase of land and acquired 40% of the share capital in the said corporate person. A Joint Development Agreement was entered into by the corporate person with CD in respect of the said land. A part of said land was given by the corporate person to a third party on leave and license basis. During the CIRP of the CD, on the application of RP seeking direction to the corporate person and the licensee not to obstruct in taking possession of the property, the AA held that CD had the development rights to the extent of land barring the piece of land given on leave and license. The same was confirmed by the NCLAT. On appeal by the corporate person, the SC held that the bundle of rights that the licensee has over the land except the piece of land given on leave and license would constitute 'asset' within the meaning of section 18(f) and section 25(2)(a) of Code and the rights and interests of CD in the said part of land should be included by the RP in the information memorandum. Accordingly, RP has the duty to take custody and control of the same.

Ajay Kumar Radheshyam Goenka Vs. Tourism Finance Corporation of India Ltd. [Criminal Appeal No. 172 of 2023]

A demand-cum-legal notice under section 138 of the Negotiable Instruments Act, 1881 (NI Act) was issued calling upon the CD and its managing director to settle the debt advanced by way of loan. The SC observed that the scope and nature of proceedings under the Code and NI Act are quite different and would not intercede each other. The approval of resolution plan of a CD under the Code will not extinguish the criminal liability of its erstwhile director under the NI Act.

SREI Multiple Asset Investment Trust Vision India Fund Vs. Deccan Chronicle Marketeers & Ors. [Civil Appeal No.1706 of 2021 with other appeals]

In this case, CD has been in the business of printing, publication, and sale of daily newspapers under the trade names, 'Deccan Chronicle' and 'Andhra Bhoomi'. The AA approved the resolution plan subject to the outcome of the interlocutory application (IA) pertaining to ownership of trade names. Subsequently, AA decided the said IA holding that the trademarks belong to the CD, and it has exclusive right to use the trademark. The NCLAT set aside the order of the AA and held that the AA has transgressed its jurisdiction in holding the ownership rights of the CD over the trademarks which amount to a modification/alteration of the approved resolution plan by the committee of creditors (CoC), and the same is impermissible in law. The SC held that while adjudicating the IA post approval of the resolution plan, the AA has exceeded its jurisdiction and such declaration of the ownership rights of the CD over the trademarks amounts to modification/alteration of the approved resolution plan.

Abhishek Singh Vs. Huhtamaki PPL Ltd. & Anr. [SLP (Civil) No.6452 of 2021]

The SC while upholding the powers of IBBI in making regulations observed that the Board has been conferred with powers to frame regulations for various purposes referred to in section 240 of IBC and the other allied sections. These regulations may be subordinate in character but would still carry a statutory flavor and would be binding on the NCLT. It also held that regulation 30A of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) allows withdrawal applications before the constitution of CoC and is not violative of section 12A of the Code.

Next Education India Pvt. Ltd. Vs. K12 Techno Services Pvt. Ltd. [Civil Appeal No. 1775 of 2021]

Section 9 application submitted alongwith unpaid invoice amount for the services during the period March 12, 2011 to June 30, 2017 was dismissed by the AA and also the NCLAT in appeal on the ground that application was barred by limitation. The SC, while allowing the appeal filed by OC against the NCLAT order, observed that the AA must have considered invoices which are within limitation i.e., three years from the date of the application, rather than considering the starting point of limitation as March 12, 2011.

High Court

PVS Memorial Hospital & Ors. Vs. Dr. Sathesh Iype & Anr. [CRL.MC No. 8157 of 2022]

A complaint under the NI Act was filed against the managing director and the directors of CD for the dishonour of a cheque amounting to ₹ 37,20,000/-. Kerala HC relying on the SC judgment in the case of *P. Mohanraj & Ors. v. Shah Brothers Ispat Pvt. Ltd. (Civil Appeal No. 10355 of 2018)*, held that the moratorium under the Code would only apply to CD, and the NI Act would continue to apply against the non-CD and they would be liable.

Tata Steel BSL Ltd. Vs. Venus Recruiter Private Ltd. & Ors. [LPA 37/2021 and C.M. Nos. 2664/2021, 2665/2021 & 2666/2021]

This appeal was filed before the Division Bench of Delhi HC against the Single Judge Order dated November 26, 2020, in *Venus Recruiters Pvt. Ltd. v. Union of India & Ors.* wherein, it was held that an avoidance application filed under the Code cannot survive beyond the conclusion of CIRP and RP being functus officio cannot continue. The Division Bench while setting aside the Single Judge Bench order held that –

- avoidance applications and CIRP are distinct and independent proceedings, and the RP does not become functus officio on the conclusion of the CIRP.
- the nature of avoidance proceedings is such that they are likely to last beyond conclusion of CIRP, as they require investigation and discovery of suspect transactions. RP can continue to pursue the avoidance applications.
- the AA has the power to adjudicate on all matters 'arising out of' and 'in relation to' insolvency resolution.
- the timelines mentioned under regulation 35A of CIRP Regulations for filing of an avoidance application by the RP are directory and not mandatory in nature and also, there is no mention of any time limit for adjudication of these applications by the AA.
- the benefit arising out of the adjudication of the avoidance application is not for the CD in its new *avatar*, but the benefit would accrue to the creditors.

Sudipa Nath Vs. Union of India & Ors. [WP(C) (PIL) 04 of 2023]

A public interest litigation (PIL) was filed before the HC of Agartala praying to declare section 66(1) of the Code as null and void being violative of Article 14. The HC, while dismissing the PIL, observed that the law confers jurisdiction on NCLT to fix the liabilities on the persons responsible for conducting business of CD which is fraudulent or wrongful. Section 66(1) contemplates an application only by the RP. Said provision authorises NCLT to pass an order, only against such persons who are responsible for the conduct of fraudulent business of the CD and to make them personally liable to make contributions to the assets of the CD.

G.K. Ispat Pvt. Ltd. Vs. Consolidated Construction Consortium Limited [Commercial Appeal No. 250/2021]

An appeal was filed against two orders of the Civil Court Bengaluru against the CD during moratorium under section 14 of the Code. As the moratorium ended with no resolution plan in hand and the AA declining to grant an extension, Karnataka HC dismissed the appeal and held that the appeal cannot be admitted as it was filed when moratorium was in place and there was a bar on institution of suits.

Sree Metaliks Ltd. Vs. Additional Director General & Ors. [W.P.(C) No. 3119/2021 & CM APPL. 9461/2021]

After the approval of resolution plan a show cause notice was issued by the Directorate of Revenue Intelligence on July 18, 2019 as the CD had availed the benefits under the Export Promotion Capital Goods Scheme but failed to fulfil its export obligation under the Scheme before the commencement of the Code. Delhi HC did not accept the plea that the CD was aware of its liability to the Customs Department and the statutory department was not required to file its claim

before the IRP/RP but was only supposed to file proof of claim. The HC did not accede to the plea of the Customs Department for first charge on the property of assessee on the basis of SC judgment in *Rainbow Papers Ltd.* case and on the strength of rationale in judgment of SC in *Ghanshyam Mishra and Sons v. Edelweiss ARC Ltd.*, it held that once the resolution plan is approved by the AA, all the claims stand frozen.

Welspun Steel Resources Private Limited Vs. Union of India [R/Special Civil Application No. 19387 of 2022]

Assets of the CD (ABG Shipyard Limited) were purchased in auction by the petitioners. The Directorate of Enforcement passed the provisional attachment order in respect of the 'specific assets' that were sold to the petitioners in the auction. The HC set aside the attachment order viz-a-viz the properties of petitioners and observed that the petitioners have acquired those assets which were not acquired as a result of criminal activity and, therefore, cannot be said to be 'proceeds of crime' as defined in section 2(1)(u) of the Prevention of Money Laundering Act, 2002. It further observed that 'if the authorities were given a free hand to pass orders of attachment of properties which were acquired by a successful bidder in a liquidation process, on a presumption that such acquisition was as a result of a criminal activity, could be contrary to the interest of value maximization of the corporate debtor's assets by substantially reducing the chances of finding a willing resolution applicant or a bidder in liquidation'.

Bharat Heavy Electricals Limited Vs. M/s Zillion Infra projects Private Limited [FAO (COMM) 66/2021 & CM APPL. 33889/2020]

When the CIRP was initiated, an arbitration proceeding was undergoing between the OC and CD. The arbitration proceeding was adjourned *sine die* in view of moratorium imposed on CD. Meanwhile, the OC filed its claim before the IRP wherein an amount of ₹ 69,03,671.85/- was mentioned as liable to be adjusted as set-off towards his claim against the CD. However, the CD used this information as an admission of liability of the OC before the arbitration proceeding. The Arbitrator passed an interim award under the Arbitration Act, 1996 in favor of the CD with respect to the said amount. On an appeal before the Delhi HC under the Arbitration Act, 1996, it held that the set-off and the claim of CD arise from the same transaction, and that the details of set off filed in Form B is a categorical admission of the OC.

Reji Sivankutty Vs. State Bank of India & Anr. [WP(C) NO. 6390 of 2022]

The AA directed the suspended director of CD in liquidation, to return a loan repayment deemed to be a 'preferential transaction' as per the Code. Aggrieved by the orders of the AA, the director filed an appeal before the NCLAT. In the meanwhile, the liquidator issued a mail to the State Bank of India requesting freezing the director's account and transferring the balance to the liquidator's account. Consequent upon State Bank of India's action, the director filed a writ petition before Kerala HC challenging the liquidator's authority to freeze the account. The HC held that the director could not collaterally challenge the same order through a writ petition once they have already used an alternative remedy.

TEQ Green XIII Private Limited Vs. REMC Limited [W.P.(C) 17599/2022, CM APPL. 56263/2022]

Railway Energy Management Company Limited issued a notice inviting tender (NIT) for selection of project developers for supply of 1000 MW round-the clock power from grid-connected renewable energy power projects. The appellant also bid for the project. However, it was found ineligible to participate in the tender process since the 'net worth' quoted by it was inclusive of the value of its preference shares, which, in the view of the respondent ought to be excluded from such net worth. As a result of such exclusion, the 'net worth' criteria set out under the request for selection was not satisfied. The Delhi HC held that on a conjoint reading of sections 2(57), 2(64), 43 and 55 of the Companies Act, 2013 along with the covenants in the NIT, the preference shares would form part of paid-up share capital which in turn is a component of the net worth.

National Company Law Appellate Tribunal

Sintex Plastics Technology Ltd. Vs. Mahatva Plastic Products and Building Materials Pvt. Ltd. & Ors. [CA (AT) (Ins.) No. 729 & 730 of 2022 & 475, 577, 674, 814 of 2021]

Separate applications were filed by financial creditors (FCs) and an OC for initiating CIRP of CD. The AA admitted the OC's application first. Thereafter, a settlement was reached between the OC and CD. By order dated June 29, 2021, the AA allowed withdrawal of its admission order but stayed the operation of this order for further period, considering the concerns raised by a FC about its claims

and withdrawal of substantial sum by another FC (State Bank of India) in violation of stay order. Meanwhile, the NCLAT ordered status quo ante on implementation of the AA's withdrawal order dated June 29, 2021 and directed IRP to continue with the management of CD and CIRP to continue. Thereafter, the AA vide order dated July 19, 2021 allowed section 7 application filed by FC against the CD. The issue for consideration before the NCLAT was, whether the CIRP initiated under section 9 of the Code, which was later permitted to be withdrawn by the AA (June 29, 2021) and subsequently stayed by the AA or the CIRP in terms of admission under section 7 application, should be the effective CIRP against the CD?

The NCLAT observed that once the claim and interest of FC had been noticed by the AA while granting stay on the withdrawal application duly approved by itself, it would be appropriate for the CIRP to continue in terms of admission of section 9 application. Further, if creditors withdraw amounts from CD's account and assets of CD are alienated, it would lead to inadequate and improper resolution of insolvency of CD. The NCLAT set aside the subsequent admission of section 7 applications and allowed steps to be taken as a consequence of admission of section 9 application. It also directed restoration of CD's asset.

As regards contentions of IBBI on the observations of the AA made on regulation 30A of CIRP Regulations being inconsistent with section 12A of the Code, the NCLAT while disposing the IA of IBBI, held '*Regulation 30-A has been made to give effect to the provisions of IBC and the Regulation 30-A has to be read harmoniously with the provisions of IBC. The provision of the Regulation 30-A has to be given effect to, unless it is contrary to any provisions of IBC. We do not find any inconsistency between Section 12A and Regulation 30-A so as to make Regulation 30A unworkable. Further such a comment would cause needless doubt in the mind of practitioners.*'

Hem Singh Bharana Vs. Pawan Doot Estate Pvt. Ltd. & Ors. [CA (AT) (Ins.) No. 1481 of 2022]

During pendency of approval of the resolution plan before the AA, ex-promoter submitted revised settlement proposal under section 12A of the Code and filed an application seeking to keep the resolution in abeyance. As the AA rejected the said application, an appeal was filed before the NCLAT on the ground that there is no bar on CoC in accepting the settlement proposal under section 12A even if they have already approved a resolution plan. The NCLAT dismissed the appeal while relying on the judgment of SC in *Ebix Singapore Pvt. Ltd. v. Committee of Creditors of Educomp Solutions Limited and Anr.*, wherein it was held that after approval of a resolution plan by the CoC, it itself is bound by its decision and cannot be allowed to go back from its decision.

Wave Megacity Centre Private Limited Vs. Rakesh Taneja & Ors. [CA (AT) (Ins.) No. 918 of 2022]

CD filed section 10 application for initiation of its CIRP. Subsequently, two homebuyers filed IAs before the AA under section 65 of the Code as the CD had failed to give the possession within the timeline although 90% of sale price was recovered from the home buyers. Considering the fact that 285 cases involving aggregate amount of ₹ 253 crore are pending against CD in different fora and it allegedly intended to save itself from liabilities to pay, the AA dismissed the application and imposed a penalty of ₹ 1 crore on the CD. On appeal, the NCLAT observed that section 65 has to be read as enabling provision to reject an application even on proving of debt and default. It further held that initiation of proceedings by CD was done fraudulently and maliciously.

Hindalco Industries Ltd. Vs. Hirakud Industrial Works Ltd. & Ors. [CA (AT) (Ins.) No. 42, 43, 52 and 53 of 2022]

The resolution plan approved by the AA was challenged on the grounds of fraudulent initiation of CIRP and illegal constitution of CoC. The NCLAT quashed the resolution plan and observed that the CoC was formed without admission and verification of claims of the FCs; thereby, violating CIRP Regulations. It observed that collusion existed between FC and CD, as they belonged to the same group. The inter-connections existed between the CD, FC, members of CoC and the holding companies of the successful resolution applicant (SRA) through common directors sitting on the board of more than one company with common registered addresses and email ids. The NCLAT imposed penalty on FC and CD and ordered for a complete investigation by IBBI.

Jindal Stainless Ltd. Vs. Shailendra Ajmera [CA (AT) (Ins.) No. 1058 of 2022]

After closure of challenge process, Shyam Sel and Power Ltd., one of the resolution applicants filed the revised plan after the last date of submission of amended resolution plan. The AA directed CoC to consider their revised

resolution plan. Jindal Stainless Ltd., one of the resolution applicants preferred an appeal before the NCLAT against this order of the AA. The NCLAT while relying on SC judgment in *Ngaitlang Dhar v. Panna Pragati Infrastructure Private Limited & Ors.*, set aside the order passed by AA and directed the RP to initiate fresh voting process on the resolution plans received in the due time. It further held that after adoption of Swiss challenge method to find out the best plan, one resolution applicant cannot be allowed to submit a revised plan.

Ashoka Hi-Tech Builders Pvt. Ltd. Vs. Sanjay Kundra & Anr. [CA (AT) (Ins.) No. 46 of 2023]

A development agreement was executed between the landowner and the CD. During the CIRP of the CD, the landowner also filed its claim in the capacity of a FC which was admitted by the RP. Subsequently, on the application filed by the home buyers, the AA relied on the NCLAT judgment in the matter of *Namdeo Ramchandra Patil and Ors. v. Vishal Ghisulal Jain*, and allowed the plea seeking removal of the landowner from the CoC. It observed that since no amount was disbursed for the time value of money, the landowner cannot be regarded as FC. On appeal, the NCLAT upheld the order of the AA and held that a landowner in a development agreement is not an FC within the meaning of section 5(8) of the Code and cannot be included in the CoC.

Greater Noida Industrial Development Authority (GNIDA) Vs. Roma Unicorn Designx Consortium and Ors. [CA (AT) (Ins.) Nos. 180, 629 & 630 of 2022]

GNIDA had allotted land for the residential / Large Group Housing to a consortium. The Earth Infrastructure Limited (CD) was one of the members of consortium who had three projects on this leased land. GNIDA claimed dues of the CD, from the subsidiary of the CD, namely Earth Towne arising out of the lease deed. The RP did not consider the claim of GNIDA. Subsequent to the approval of resolution plans, the AA allowed the prayer of one of the SRAs directing the GNIDA to transfer the lease land in favour of the SRA for implementation of the plan. On appeal by GNIDA, the NCLAT held that the transfer of plot could not be affected without approval of the GNIDA. Resolution plan could not have contained a clause for transfer of land without there being any approval of the GNIDA for such transfer as GNIDA is a necessary party to the processes. It also held that assets of the subsidiary company cannot be dealt with in the CIRP of holding company without the permission of the Lessor. Holding company and subsidiary company have separate legal status and the assets of subsidiary cannot be taken into consideration.

Rohit Motawat Vs. Madhu Sharma, Proprietor Hind Chem Corporation & Anr. [CA (AT) (Ins.) No. 1152 of 2022]

The AA admitted the application filed by OC against CD for the amount due aggregating to ₹ 38,58,994/- (without interest calculation), out of which ₹ 9,97,122/- was paid in due course of proceedings. The interest was claimed by the OC on the basis of invoices containing a stipulation that 21% interest shall be chargeable if the amount due is not repaid timely. The NCLAT observed that it is only the interest that is pending for payment, for which the application under section 9 of the Code is not maintainable considering the fact that the spirit of the Code is for 'resolution' and not for 'recovery'.

Talbot & Company Vs. Austin Distributors Pvt. Ltd [CA (AT) (Ins.) No. 1470 of 2022]

The AA dismissed the application of OC since the CD claimed that there were pre-existing disputes as it had suffered due to deficient and poor services from OC. In the appeal, the OC, on the strength of an email dated May 21, 2019 supposedly sent by the employee of CD expressing its inability to pay due to tough market conditions, claimed default on the part of the CD. The CD questioned the authenticity of the mail as it was not signed by authorized person of the CD. The NCLAT dismissed the appeal and observed that the examination of elements of fraud, if any, regarding the disputed email is beyond the scope of the AA.

Priyal Kantilal Patel Vs. IREP Credit Capital Pvt. Ltd. & Anr. [CA (AT) (Ins.) No. 1423 of 2022]

As consent terms were entered between the parties along with other stakeholders, the FC agreed to withdraw its section 7 application. It was agreed that in the event of default of honouring the consent terms, the FC would be at liberty to revive the CIRP. When the CD defaulted in making payments as per the consent terms, the FC instead of restoring the earlier application, filed the fresh section 7 application, which was admitted by the AA. The CD challenged the order of the AA on the grounds that the breach of consent terms cannot be

treated as a 'financial debt'. The NCLAT dismissed the appeal and held that the nature of 'financial debt' would not change on account of breach of the consent terms. The FC had not filed the subsequent application for default in the settlement agreement. Rather, the subsequent application was filed over original 'financial debt'. Since the consent terms provided for restoration of section 7 petition, the mere fact that instead of reviving the earlier petition a fresh petition has been filed by the FC, would be no ground for rejection of the subsequent application.

Hero Fincorp Ltd. Vs. Hema Automotive Pvt. Ltd. [CA (AT) (Ins.) No.1540 of 2022]

The appeal in this case was filed against the AA order that declined to pass the order of liquidation of the CD and directed the CoC to reconsider its decision. The AA passed this order as the sole member CoC had resolved for liquidation even before the last date of receiving EoI and without exploring the possibility of resolution. The NCLAT, while dismissing the appeal observed that the obligation of the AA to direct liquidation shall rise only when decision of the CoC is in accordance with the Code. Thus, judicial review of the commercial decision of the CoC in such particular case is not precluded.

Principal Commissioner of Income Tax & Ors. Vs. Assam Company India Ltd. [CA(AT) (Ins.) No. 243 of 2022]

The resolution plan provided for payment of ₹ 1.20 crore to Income Tax Department/OC against outstanding demand of ₹ 16.20 crore. The SRA refused to pay the remaining amount to Income Tax Department as the resolution plan stood approved. The application filed by the Income Tax Department to recall the approved resolution plan was dismissed by the AA with observation that the Department has a right to lay its claim before the new promoter of the CD. Subsequently, Income Tax Department attached two bank accounts of the CD and the said attachment orders got challenged before the AA which decided against this action. On an appeal filed by Income Tax Department, the NCLAT relied on SC judgment in the matter of *State Tax Officer v. Rainbow Papers Limited* and set aside the order dated February 10, 2021 and remitted the matter to the AA.

Mrs. C.G. Vijjalakshmi Vs. Shri Kumar Rajan, RP & Ors. [CA(AT) (CH) (Ins.) No. 29/2021 & I.A. No. 251/2021, 44/2021 & I.A. Nos.96 & 245/2021]

Post approval of the resolution plan by the AA, several appeals were filed, challenging the resolution plan where under 35.13% of the 'provident fund' and 'gratuity claims' were admitted. RP admitted claim of ₹ 209.09 crore of secured FCs which is much more than the liquidation value of ₹ 162.70 crore and therefore the liquidation value payable to OCs including the employees under section 53(1) was nil. The NCLAT held that the amount lying to the gratuity on employees/workman cannot be made available to the creditors and is not liable to attachment under any decree or order of any Court as per section 10 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The amount lying as gratuity and provident fund are not part of liquidation estate.

Express Resorts and Hotels Ltd. Vs. Amit Jain, RP, Neesa Leisure Ltd. [CA (AT) (Ins.) No.1158 of 2022]

The NCLAT observed that once a resolution plan is approved and submitted to the AA, subsequently, CoC cannot turn around and pray to the AA to send the plan back for consideration. The CoC, being satisfied that financial offer given by the applicant is satisfactory, exercises its commercial wisdom, even CoC cannot be allowed to change its view, since it is bound by its own decision taken in approving the resolution plan.

Rourkela Steel Syndicate Vs. Metistech Fabricators Pvt. Ltd. [CA (AT) (Ins.) No. 924 of 2022]

OC filed appeal against the order of AA dismissing its application on the ground that the application was barred in terms of the provisions of section 69(2) of the Indian Partnership Act, 1932. The said provision bars filing of a suit by or on behalf of an unregistered partnership firm against any third party. The NCLAT held that application under section 9 of the Code cannot be considered to be a suit and the provisions of the section 69(2) of the Indian Partnership Act, 1932 are not attracted in respect of application filed by an unregistered firm for initiating CIRP against a CD.

Noble Marine Metals Co. WLL Vs. Kotak Mahindra Bank Ltd. & Ors. [CA (AT) (Ins.) No. 653 of 2022]

The NCLAT held that resolution plan approved by CoC is binding between the SRA and the CoC. The mandatory clause in resolution plan which violates the

provision of section 128 of the Indian Contract Act, 1872, has to be treated to be in violation of section 30(2)(e) of the Code. Further, it is important to understand that reconsideration is being asked only with regard to a particular clause which was included in the resolution plan i.e., relating to release of personal guarantee of the promoters. The present is a case where CoC is not asking to withdraw from the plan or asking for reviewing the entire resolution plan rather CoC has asked for leave of the AA for deleting clause on the releasing the promoters from personal guarantee wherein the RA has also consented before the AA. The NCLAT held that resolution plan can be sent back for reconsideration if the mandatory clause impedes the provisions of other laws.

Rajeev Srivastava Vs. Ahluwalia Contracts (India) Limited & Ors. [CA(AT) (Ins.) No. 976 of 2022]

The AA admitted section 9 application filed without serving section 8 notice under the Code. The NCLAT observed that the procedure is apparently for an application which is filed in terms of the provisions of the Code, but the legislature perceived another situation in the matters relating to of a winding up petition under the Companies Act, 1956, already filed before the High Court, on account of non-payment of debt and subsequently transferred to the AA. There is no dispute that a demand notice was served under section 434(1)(a) of the Companies Act, 1956. It held that there is no requirement of issuance of a fresh notice under section 8 of the Code as it cannot be read as a part of the 'submission of information' as provided in first proviso to Rule 5 of the NCLT Rules, 2016.

Shri Guru Containers Vs. Jitendra Palande [CA (AT) (Ins.) No. 106 of 2023]

OC initiated CIRP against CD. As the CoC could not be constituted for want of submission of claims, further processes could not be conducted in the absence of financial records. The application under section 19 filed by IRP, did not yield any results. Consequently, IRP filed an application for termination of CIRP and sought discharge from the duties and reimbursement of costs towards the duties performed. The AA allowed the prayer of IRP and directed OC to reimburse the fees and the CIRP costs. The NCLAT, while disposing the OC's appeal, observed that the IRP despite being diligent in his duty, the scope of CIRP related work was limited due to information getting stonewalled and consequently no claims received. It allowed the payment of IRP's fee with modification and held that the reasonableness of fee should be context specific.

Triumph Commodities Pte. Ltd. Vs. Aster Pvt. Ltd. Represented by its Liquidator Mr. Naren Sheth [CA (AT) (CH) (Ins.) No. 248 & 249/2021]

The resolution applicant filed appeal before the NCLAT challenging the order of the AA that dismissed its application seeking direction to CoC to consider its revised resolution plan. It was observed that the CoC had given many opportunities to the resolution applicant to make certain modifications in the plan, but it had never paid any heed. Thus, CoC had no option but to go for liquidation. The NCLAT while dismissing the appeal, observed that resolution applicant had refused to make any changes as required by the CoC and more so considering the timelines and speed being the essence enjoined under the Code, liquidation order was passed.

Mr. Shibu Job Cheeran, Suspended Director of CD & Ors. Vs. Mr. Ashok Velamur Seshadri, Liquidator of M/s. Archana Motors Ltd. [CA (AT) (CH) (Ins.) No. 350 of 2021 & IA No.727/2021]

An appeal was filed by the ex-promoter and directors of CD against the order of the AA declaring entries aggregating to ₹ 21.37 crore shown in the audited financial statement for the year 2018 as fraudulent transactions and directing the ex-promoter and past directors to be liable. The NCLAT held that section 66 gives powers to the AA to give directions for making contribution to the assets of the CD and also the personal liability of the directors towards contribution, provided such directors did not exercise due diligence or failed to take reasonable steps to minimize potential losses to the creditors when there was no possibility of avoiding the commencement of CIRP.

Vistra ITCL (India) Limited Vs. Torrent Investment Private Limited and Ors. [CA (AT) (Ins.) No. 132, 133, 134 and 139 of 2023]

The appeal was preferred against the order of the AA wherein it was held that the extension of challenge mechanism was an afterthought and violative of regulation 39(1A) of CIRP Regulations. The NCLAT observed that the AA committed an error by arriving at its conclusion without visiting the relevant provision of the request for resolution plan when it allowed another round of auction for Reliance Capital Ltd. It observed that CoC is fully empowered to further negotiate with

one or more resolution applicants even after completion of challenge mechanism. The CoC is not prohibited from negotiating with resolution applicants or asking resolution applicants to further increase the plan value under the provisions of the Code. Additionally, it was pointed out that even if Torrent Investments' plan consequent to challenge mechanism held on December 21, 2022 was with highest value, it has no right to insist that the plan should be put to vote by CoC. It relied on *K. Sashidhar v. Indian Overseas Bank and Ors.*, wherein it is laid that commercial wisdom of CoC has to be given paramount importance.

Yash Nachrani Director of suspended Board of Directors Coppertun Brewing Pvt. Ltd. Vs. Pardesi Construction Pvt. Ltd. [CA (AT) (Ins.) No. 625 of 2022]

CD failed to pay rent in respect of licensed premises to OC which in turn initiated CIRP under section 9. The AA's order of admission was challenged by the suspended director of CD on the grounds of a genuine pre-existing dispute. In the facts of the case, the NCLAT while allowing the appeal, considered the voluminous exchange of correspondence between the CD and OC over requisite compliances/ certificates from the competent authorities and the pending pre-existing disputes between the parties and set aside the admission order. It directed the OC to pay the RP's fee and observed that the OC may pursue alternative legal remedy for the arrears of rent, mesne profits, eviction of tenant by sufferance, etc.

P. Eswaramoorthy, Liquidator of Senthil Papers and Boards Pvt. Ltd. Vs. The Deputy Commissioner of Income Tax (Benami Prohibition) [CA(AT) (CH) (Ins.) No. 188 & 189 of 2022]

After passing of order of liquidation by the AA, the Deputy Commissioner of Income Tax (Benami Prohibition) had attached the property of the CD as per the provisions of the Prohibition of Benami Property Transactions Act, 1988 (Benami Act). The application filed by the liquidator under section 60(5) of the Code was dismissed holding that there is no conflict between the Code and the Benami Act. On appeal by the liquidator, the NCLAT opined that the provisional attachment under the Benami Act cannot be subject matter of proceedings under the Code. It held that the remedy under the Benami Act cannot be agitated before the AA under the Code. The NCLAT while dismissing the appeal, observed that the Code and the Benami Act 'operate in their field and without any simmering doubt this Tribunal', without any 'haziness', holds that an 'element of public interest', is involved in the Benami Act'.

Ashmeet Singh Bhatia Vs. Sundrm Consultants Pvt. Ltd. & Anr. [CA (AT) Ins. No. 557 of 2021]

The AA disposed of an IA holding that the application under section 65 would be maintainable only once the application under section 7, 9 or 10 is admitted and the CIRP is initiated. On an appeal filed by a home buyer, the NCLAT held that in case where application is filed under section 65, the same would be maintainable immediately after the application is filed under section 7, 9 or 10 of the Code, as the case may be.

M.K. Rajagopalan Vs. S. Rajendran, RP Vasan Health Care Pvt. Ltd. [CA (AT) (CH) Ins. No. 58 of 2023]

On an appeal by an unsuccessful resolution applicant against approval of resolution plan by the AA, the NCLAT held that an unsuccessful resolution applicant has no locus standi to assail a resolution plan or its implementation, since it is not a 'stakeholder' under section 31(1) and is not an aggrieved person.

National Company Law Tribunal

Mr. Manish Kumar Baldeva, Liquidator Vs. Sales Tax Officer [IA No. 1300/MB/C-I/2020 In C.P. (IB) No. 1267/MB/C-I/2017]

On the application filed by the liquidator for release of the attached properties done by sale tax officer prior to the commencement of the Code, the AA held the time gap between the attachment order and initiation of CIRP is two years and the attachment order had attained finality. The AA relying on SC judgment in *State Tax Officer v. Rainbow Papers Limited*, held that the sales tax department is a secured creditor under section 53(1)(e)(ii) of the Code and the attached assets would not form part of the liquidation estate.

Naveen Kumar Sood & Anr. Vs. Ujaas Energy Ltd & Ors. [IA/190 (MP)2021 & IA/165(MP) 2022 In CP (IB) 9 of 2020]

The resolution plan duly approved by CoC contained a relief to extinguish the

personal guarantee, and the same was objected by a FC. The AA, while rejecting the resolution plan observed that CoC can take commercial decisions related to the insolvency of the CD but cannot enforce its decision for extinguishment of the right of the dissenting creditor to proceed against the personal guarantor (PG). It held that the resolution plan which contravenes the provisions of section 30(2)(e) of the Code, cannot be approved.

IDBI Bank Ltd. Vs. Jaypee Infratech Ltd. [CP No. (IB)-77(ALD)/2017]

CIRP was initiated against Jaypee Infratech Ltd. (JIL). As no resolutions were forthcoming, home buyers of JIL filed a writ before the SC challenging various provisions of the Code. The SC using its inherent power under Article 142, directed to restart CIRP in light of ordinance treating home buyers as FC. After a prolonged litigation, the AA vide its order dated March 7, 2023 approved the resolution plan of Suraksha Realty and disposed of objections filed by Yamuna Expressway Industrial Development Authority, ICICI Bank, and PGs of JIL.

IBBI

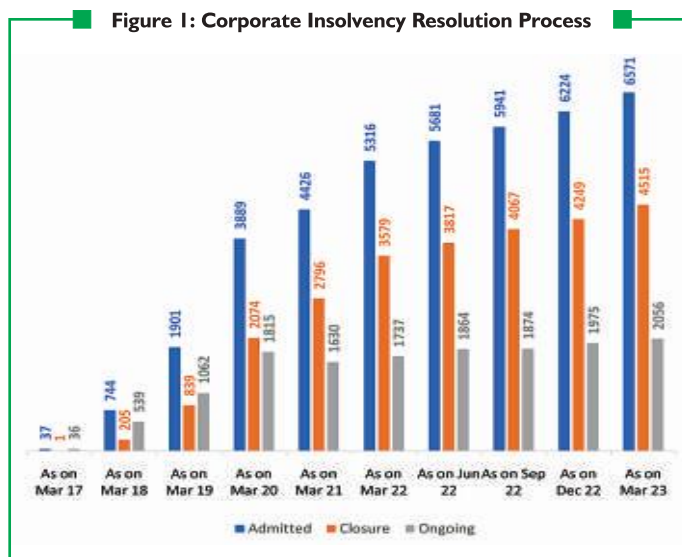
During the quarter, the Disciplinary Committee/Authorised Officer of the IBBI disposed of 20 show cause notices issued to the IPs/Registered Valuers (RVs)/Registered Valuer Organisation (RVO) for contravention of the provisions of law by passing suitable orders.

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. A total of 6571 CIRPs have commenced by the end of March, 2023 as presented in Figure 1. Of these, 4515 have been closed. Of the CIRPs closed, the CD was rescued in 2485 cases, of which 959 have been closed on appeal or review or settled; 848 have been withdrawn; and 678 cases have ended in approval of resolution plans, while 2030 have ended in orders for liquidation (Figure 2). Sectoral distribution of CDs under CIRP is presented in Figures 3-6.



Note: These CIRPs are in respect of 6346 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

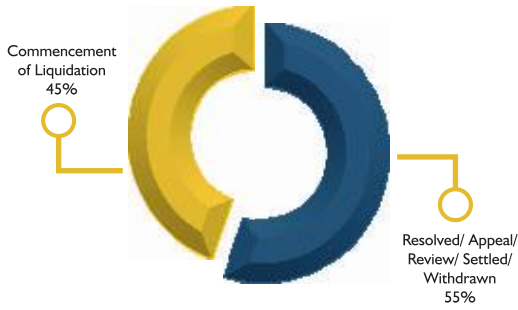


Figure 3: Sectoral Distribution of CIRPs: Admission

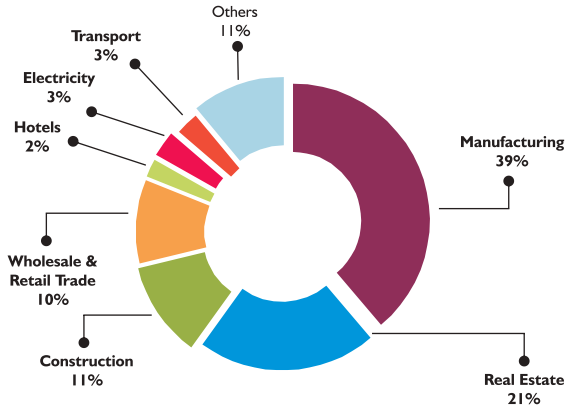


Figure 4: Sectoral Distribution of CIRPs: Appeal/Review/Settled/Withdrawn

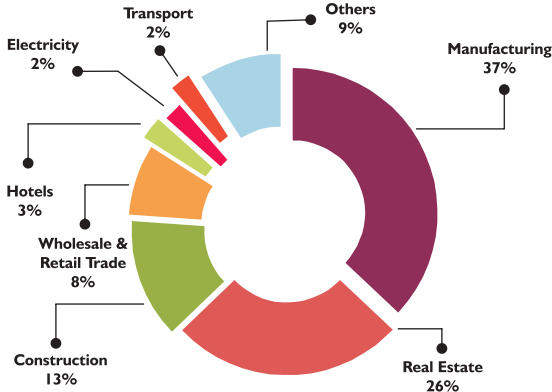


Figure 5: Sectoral Distribution of CIRPs: Resolution Plans

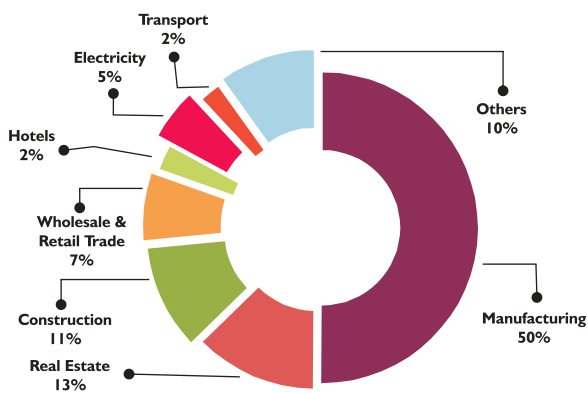
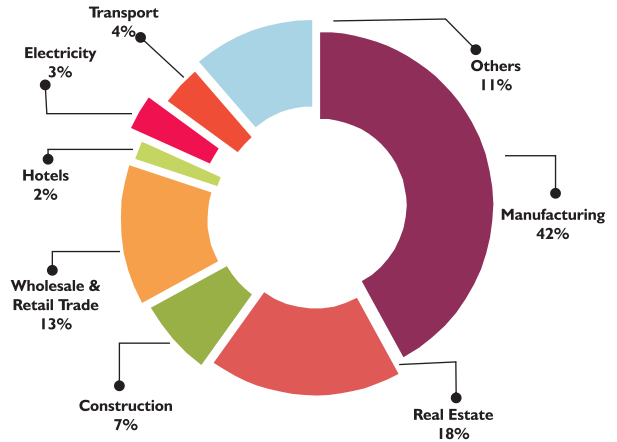


Figure 6: Sectoral Distribution of CIRPs: Commencement of Liquidation

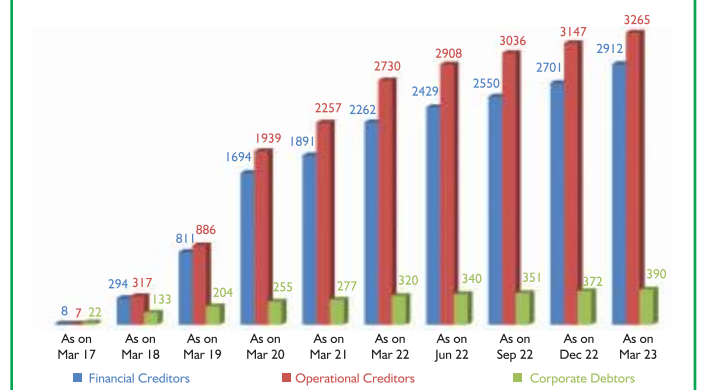


The distribution of stakeholder-wise initiation of CIRPs is presented in Table 1 and Figure 7. OCs triggered 49.72% of the CIRPs, followed by about 44.34% by FCs and remaining by the CDs. It is observed that about 80% of CIRPs having an underlying default of less than ₹ 1 crore were initiated on applications 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 CDs is declining over time. They usually initiate CIRPs with very high underlying defaults.

Table 1: Year-wise & Stakeholder-wise Initiation of CIRPs (Number)

Period	CIRP initiated by			Total
	FC	OC	CD	
2016 - 17	8	7	22	37
2017 - 18	286	310	111	707
2018 - 19	517	569	71	1157
2019 - 20	883	1053	51	1987
2020 - 21	197	318	22	537
2021 - 22	371	473	43	887
2022 - 23	650	535	70	1255
Total	2912	3265	390	6567

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



Note: This excludes four cases wherein applications filed by the Reserve Bank of India (RBI) were admitted u/s 227 of the Code.

The outcome of CIRPs, initiated stakeholder-wise, as on March 31, 2023 is presented in Table 2. Of the OC initiated CIRPs that were closed, more than 53% were closed on appeal, review, or withdrawal. Such closures accounted for around 72% of all closures by appeal, review, or withdrawal.

Table 2: Outcome of CIRPs, initiated Stakeholder-wise, as on March 31, 2023

Outcome	Description	CIRPs initiated by			
		FCs	OCs	CDs	Total
Status of CIRPs	Closure by Appeal/Review/Settled	264	688	7	959
	Closure by Withdrawal u/s 12A	232	609	7	848
	Closure by Approval of Resolution Plan	380	241	56	677
	Closure by Commencement of Liquidation	927	896	207	2030
	Ongoing	1109	831	113	2053
Total		2912	3265	390	6567
CIRPs yielding Resolution Plans	Realisation by Creditors as % of Liquidation Value	182.7	125.8	147.5	168.5
	Realisation by Creditors as % of their Claims	34.2	17.6	18.3	31.8
CIRPs yielding Liquidations of CIRP	Average Time taken for Closure of CIRP	613	632	541	614
	Liquidation Value as % of Claims	6.4	9.1	8.6	7.0
CIRPs yielding Liquidations of CIRP	Average Time taken for Closure of CIRP	476	450	390	456

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

Resolution Plans

Till December, 2022, 61 CIRPs had yielded resolution plans as presented in the last newsletter. 8 more CIRPs were later reported as yielding resolution

plans during that period, as presented in Part A of Table 3. During January-March, 2023, 62 CIRPs yielded resolution plans with different degrees of realisation as compared to the liquidation value as presented in Part B of Table 3. Three CDs which had earlier yielded resolution have since moved into liquidation.

Till March 31, 2022, 498 CIRPs had yielded resolution plans. In these cases, creditors have realised ₹ 2.33 lakh crore under the resolution plans. The liquidation value of the assets available with these CDs, when they entered the CIRP was at ₹ 1.31 lakh crore against the total claims of the creditors worth ₹ 7.56 lakh crore. The creditors have realised 30.84% and 178.49% as against their admitted claims and liquidation value, respectively.

Till March 31, 2023, the creditors have realised ₹ 2.86 lakh crore under the resolution plans. The fair value of the assets available with these CDs, when they entered the CIRP was estimated at ₹ 2.65 lakh crore and liquidation value of ₹ 1.70 lakh crore against the total claims of the creditors worth ₹ 8.99 lakh crore. The year-wise details of resolutions are presented in Table 4. The creditors have realised 168.47% of the liquidation value and more than 83% of the fair value (based on 586 cases where fair value has been estimated). The haircut for creditors relative to the fair value of assets was less than 17%, while relative to their admitted claims is of around 68%. It may be noted that the realisable value does not include the CIRP cost, and many probable future realisations such as equity, realisation from corporate and personal guarantees, funds infused into the CD including capital expenditure by the resolution applicants, and recovery from avoidance applications.

Table 3: CIRPs Yielding Resolution Plans

Sl.	Name of CD	Defunct (Yes/No)	Date of Commencement of CIRP	Date of Approval of Resolution Plan	CIRP initiated by	Amount (in ₹ crore)				Realisable Value as % of		
						Total Admitted Claims	Liquidation Value	Fair Value	Total Realisable value	Admitted Claims	Liquidation Value	Fair Value
Part A: For Prior Period (Till December 31, 2022)												
1	RG Buildestate Private Limited	No	30-01-20	07-10-21	FC	4.95	2.49	3.11	2.42	48.92	97.24	77.79
2	Bansal Multiflex Limited	Yes	18-12-20	31-05-22	OC	1.31	0.00	0.00	0.15	11.25	-	-
3	Srivari Alloys India Private Limited	Yes	16-07-19	09-11-22	OC	17.64	3.16	3.56	3.33	18.88	105.27	93.48
4	NAG (India) Private Limited	Yes	06-01-20	09-11-22	FC	36.88	3.84	4.31	3.50	9.49	91.08	81.20
5	Sindhura Paper Private Limited	Yes	07-03-22	15-12-22	OC	123.08	44.35	61.88	40.38	32.81	91.05	65.26
6	Superchem Coatings Private Limited	No	07-12-21	20-12-22	OC	0.80	0.59	1.49	0.51	63.88	86.96	34.21
7	AMW Motors Limited	Yes	01-09-20	21-12-22	FC	4141.75	162.59	271.43	202.54	4.89	124.57	74.62
8	Orma Marble Palace Private Limited	No	09-04-21	23-12-22	FC	15.36	28.69	42.28	6.50	42.29	22.64	15.36
Part B: For January – March, 2023												
1	Radius Estates and Developers Private Limited	No	30-04-21	09-01-23	FC	3027.96	11.87	19.72	706.42	23.33	5953.30	3582.63
2	Dagcon (India) Private Limited	Yes	20-11-19	09-01-23	FC	255.56	1.36	1.95	5.32	2.08	390.15	273.10
3	Amrit Agrovet Private Limited	Yes	12-03-20	09-01-23	OC	19.63	0.52	0.71	1.36	6.93	260.11	191.55
4	Srithikspat Private Limited	Yes	30-09-19	11-01-23	OC	47.26	8.03	11.62	8.60	18.20	107.10	73.99
5	Perfect Industries Private Limited	Yes	10-06-20	11-01-23	FC	183.08	11.63	17.98	11.70	6.39	100.59	65.07
6	Harsha Exito Engineering Private Limited	No	24-03-21	12-01-23	OC	56.53	44.98	75.04	31.19	55.17	69.33	41.56
7	Kail Limited	No	08-06-18	12-01-23	OC	2333.09	51.75	559.66	139.26	5.97	269.12	24.88
8	Digicable Network (India) Limited	No	04-12-20	12-01-23	FC	924.32	246.67	334.47	201.38	21.79	81.64	60.21
9	Pawan Doot Estate Private Limited	No	10-05-19	18-01-23	FC	837.07	10.62	15.17	14.10	1.68	132.82	92.97
10	Dolphin Marine Foods and Processors (India) Private Limited	No	03-08-21	19-01-23	FC	16.80	16.99	23.31	18.05	107.44	106.22	77.42
11	Anand Tex India Private Limited	No	29-11-19	20-01-23	FC	49.46	9.01	12.72	11.02	22.28	122.33	86.62
12	Krishna Oils & Proteins Private Limited	Yes	13-03-20	20-01-23	FC	22.24	6.01	7.46	7.19	32.33	119.68	96.36
13	Veekay Polycoats Limited	No	01-03-19	25-01-23	FC	252.61	61.96	110.21	63.11	24.98	101.85	57.26
14	Vasan Health Care Private Limited	No	21-04-17	03-02-23	OC	2176.44	115.18	175.12	334.56	15.37	290.47	191.05
15	Aarti Infra-Projects Private Limited	No	01-05-19	03-02-23	CD	176.32	2.82	8.17	13.60	7.71	482.13	166.48
16	Sona Alloys Private Limited	Yes	16-06-20	06-02-23	OC	2200.77	278.79	443.30	557.01	25.31	199.79	125.65
17	Shreebhav Polyknits Private Limited	No	27-09-21	07-02-23	FC	40.07	11.12	16.50	13.29	33.15	119.51	80.50
18	Shubhmangal Exim Private Limited	Yes	20-09-21	08-02-23	OC	24.34	0.00	0.00	1.55	6.37	-	-
19	Topworth Tollways (Ujjain) Private Limited	No	09-10-20	09-02-23	FC	266.36	39.44	48.71	43.11	16.18	109.30	88.50
20	Ammanarul Spinners Private Limited	No	12-08-21	09-02-23	FC	43.45	9.24	12.61	13.13	30.22	142.03	104.13
21	Byrnihat Coal Private Limited	Yes	01-04-22	10-02-23	CD	7.22	2.14	3.84	2.49	34.50	116.29	64.81
22	Care Stationers & Agencies Private Limited	Yes	13-12-19	10-02-23	FC	6.13	4.33	5.58	4.38	71.48	101.19	78.56
23	Maylari Agro Products Limited	Yes	08-03-21	15-02-23	OC	13.42	4.74	6.59	4.62	34.41	97.41	70.06

24	Andhra Cements Limited	Yes	26-04-22	16-02-23	FC	1708.42	708.20	1044.49	743.51	43.52	104.99	71.18
25	DSK Southern Projects Private Limited	No	09-12-21	17-02-23	FC	96.63	29.91	39.23	28.00	28.98	93.62	71.37
26	Stellar Investments Limited	Yes	24-02-22	17-02-23	OC	1.38	0.04	0.04	1.38	100.00	3417.44	3417.44
27	Hindustan Magnesium Products Private Limited	No	19-04-22	17-02-23	FC	15.69	1.35	2.53	0.77	4.88	56.86	30.20
28	Gangakhed Sugar & Energy Limited	No	10-10-19	17-02-23	FC	936.61	192.42	472.36	304.00	32.46	157.99	64.36
29	Crown Realtech Private Limited	No	06-12-19	21-02-23	FC	227.32	156.52	196.02	186.66	82.12	119.26	95.22
30	SMS Paryavaran Limited	No	03-01-20	21-02-23	FC	154.70	25.50	29.51	31.20	20.17	122.36	105.74
31	Zenith Finesse (India) Private Limited	No	20-11-19	22-02-23	FC	114.21	2.53	5.12	1.58	1.38	62.43	30.83
32	McnallySayaji Engineering Limited	No	11-02-21	24-02-23	FC	412.07	151.01	200.15	176.99	42.95	117.21	88.43
33	Mata Energy Limited	Yes	04-03-22	27-02-23	FC	116.26	3.37	4.70	4.00	3.44	118.57	85.16
34	Maini Construction Equipments Private Limited	No	01-06-17	27-02-23	OC	17.19	6.14	8.48	10.29	59.85	167.58	121.34
35	Boulevard Projects Private Limited	Yes	08-02-19	27-02-23	FC	2130.15	284.00	452.00	1128.39	52.97	397.32	249.64
36	Sri Mata Infratech Limited	Yes	28-04-22	02-03-23	FC	208.71	30.79	43.87	33.08	15.85	107.45	75.41
37	K & K Foundry Private Limited	No	20-03-20	02-03-23	OC	41.07	5.91	7.92	23.63	57.54	399.57	298.54
38	Karthik Alloys Limited	No	17-12-19	03-03-23	OC	118.67	14.55	22.15	19.55	16.47	134.31	88.25
39	Jaypee Infratech Limited	No	09-08-17	07-03-23	FC	23083.27	17766.76	25602.32	20363.22	88.22	114.61	79.54
40	Brys Hotels Private Limited	Yes	18-03-19	09-03-23	FC	81.61	47.84	64.28	61.72	75.62	129.02	96.01
41	JBF Petrochemicals Limited	Yes	28-01-22	13-03-23	FC	5628.04	1616.63	2719.01	2049.64	36.42	126.78	75.38
42	Sintex-BAPL Limited	No	18-12-20	17-03-23	OC	3266.17	1207.63	1922.04	1251.00	38.30	103.59	65.09
43	Hyper Techno Buildmart Private Limited	Yes	23-12-21	17-03-23	FC	12.17	2.77	3.56	3.94	32.37	142.24	110.67
44	OCL Iron and Steel Limited	No	20-09-21	20-03-23	FC	3240.04	471.93	811.67	271.02	8.36	57.43	33.39
45	Shop CJ Network Private Limited	Yes	19-01-22	21-03-23	OC	13.16	3.35	14.69	8.00	60.77	239.06	54.48
46	Grand Vacations Private Limited	NA	12-04-22	21-03-23	FC	NA	NA	NA	NA	NA	NA	NA
47	Infra Industries Limited	NA	12-12-19	21-03-23	OC	NA	NA	NA	NA	NA	NA	NA
48	UCAL Auto Private Limited	No	04-06-21	22-03-23	OC	45.23	11.30	15.37	25.28	55.89	223.65	164.44
49	Lanco Mandakini Hydro Energy Private Limited	No	06-11-20	03-23-23	FC	1313.09	123.60	187.72	152.28	11.60	123.20	81.12
50	G.R.Cables Limited	No	08-03-22	24-03-23	OC	70.89	6.60	9.29	14.47	20.41	219.09	155.72
51	LN Industries India Limited	No	01-07-22	24-03-23	OC	8.91	0.01	0.01	1.89	21.18	36078.20	36078.20
52	Trimurti Corns Agro Foods Private Limited	No	20-11-18	24-03-23	OC	24.90	2.71	4.32	17.15	68.89	633.40	397.06
53	Anudan Properties Private Limited	Yes	15-03-21	29-03-23	FC	237.00	27.92	36.31	69.75	29.43	249.81	192.11
54	Provogue Personal Care Private Limited	Yes	26-09-19	31-03-23	FC	9.26	0.86	0.91	1.05	11.34	121.61	115.38
55	Hindustan Photo Films Mfg Co Limited	NA	07-01-22	31-03-23	FC	NA	NA	NA	NA	NA	NA	NA
56	Foodco Delicacies India Private Limited	No	24-03-22	31-03-23	FC	39.18	6.54	8.61	14.80	37.78	226.45	171.90
57	Karaikal Port Private Limited	No	29-04-22	31-03-23	FC	2977.67	822.18	1215.88	1583.07	53.16	192.54	130.20
58	Airen Metals Pvt Ltd	Yes	28-04-22	31-03-23	FC	246.81	37.77	54.89	51.25	20.77	135.71	93.37
59	Vaishno Devi Food Products Private Limited	Yes	27-10-20	03-31-23	OC	122.97	17.39	25.17	20.71	16.84	119.12	82.28
60	Sathavahanalspat Ltd	No	28-07-21	31-03-23	OC	1853.81	342.49	682.90	693.61	37.42	202.52	101.57
61	Trimurti Foodtech Private Limited	No	11-08-21	31-03-23	FC	44.14	14.72	18.29	17.84	40.41	121.18	97.56
62	Ballarpur Industries Limited	No	17-01-20	31-03-23	FC	3518.20	649.01	977.52	565.52	16.07	87.14	57.85
Total (January-March, 2023)						65115.71	25741.44	38813.75	32136.66	49.35	124.84	82.80
Total (Till March, 2023)						898906.04	169798.53	265399.73	286059.73	31.82	168.47	83.33*

Notes:

- In 678 resolved CDs, 137 applications in respect of avoidance transactions to the tune of ₹ 90,811 crore have been pending before AA.
- CIRPs in 23 matters which yielded resolution plans and were reported earlier in this table have since moved into liquidation. The CIRPs have restarted in 20 cases and CIRPs in 2 matters, where liquidation orders were passed earlier, have yielded resolution plans.
- There are 6 CIRPs where the realisable value was less than the liquidation value of the CD. While realisable value is significantly influenced by the value of asset of the CD while entering the resolution process and time taken for resolution, it is also the outcome of a market determined price discovery process and commercial wisdom of the CoC.

*Based on 586 cases where fair value has been estimated

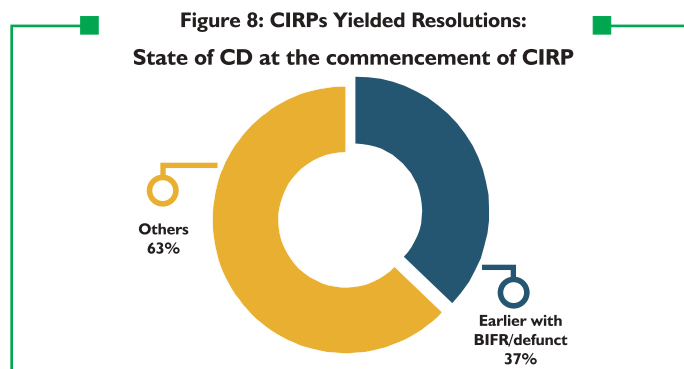
NA: Not Available

NC: Not calculated

Table 4: Year-wise Details of Resolutions (Amount in ₹ crore)

Period	Number of Resolutions	Total admitted claims	Liquidation Value	Total Realisation	Realisation by creditors as a % of admitted claims
2016-17	0	0	0	0	NA
2017-18	19	8197.59	1893.66	4457.85	54
2018-19	77	206847.61	48051.66	111467.46	54
2019-20	134	164042.15	25238.66	41910.01	26
2020-21	121	162886.57	18342.21	27591.16	17
2021-22	147	214388.62	37162.24	49208.38	23
2022-23	180	142543.50	39110.10	51424.87	36
Total	678	898906.04	169798.53	286059.73	32

About 37% of the CIRPs (251 out of 674 for which data are available), which yielded resolution plans, were earlier with BIFR and/or defunct (Figure 8). In these CDs, the claimants have realised 22.24% of their admitted claims and 159.46% of liquidation value.

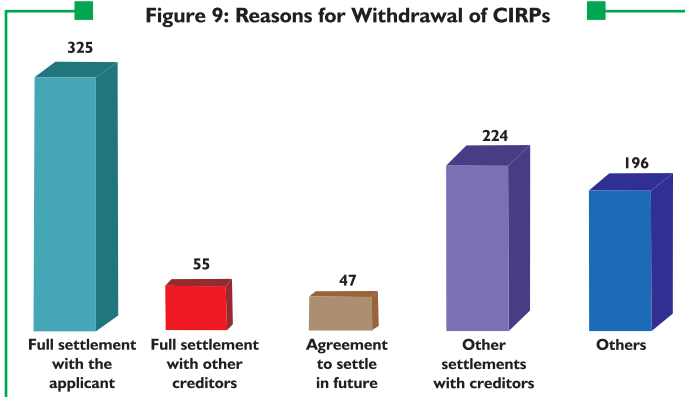


Note: Data awaited in 4 cases

Withdrawals under Section 12A

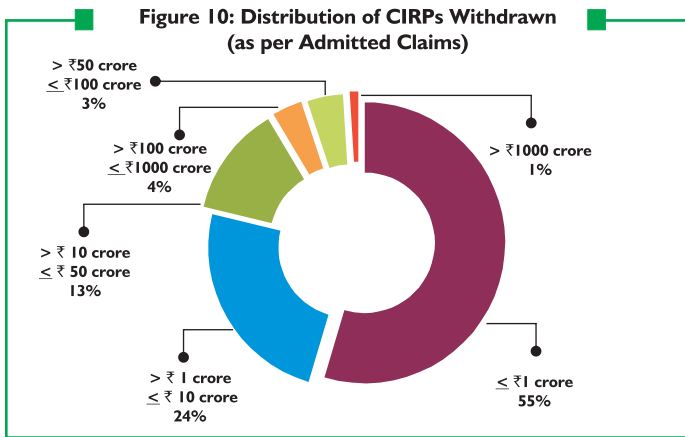
Till March, 2023, a total of 848 CIRPs have been withdrawn under section 12A of the Code. The reasons for withdrawal and distribution of claims in these CIRPs are presented in Figures 9 and 10. Almost three fourth of these CIRPs had claims of less than ₹ 10 crore.

Figure 9: Reasons for Withdrawal of CIRPs



Data awaited in 1 CIRP

Figure 10: Distribution of CIRPs Withdrawn (as per Admitted Claims)

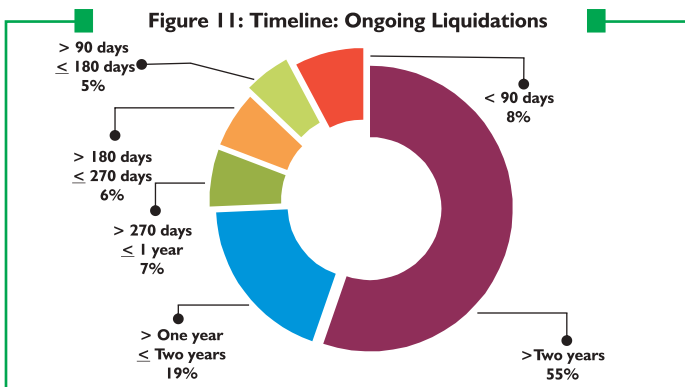


Data awaited in 1 CIRP

Liquidation

Till December, 2022, a total of 1901 CIRPs had yielded orders for liquidation, as presented in the previous newsletter. 9 more CIRPs were later reported as yielding orders for liquidation during that period. During the quarter January - March, 2023, 120 CIRPs ended in orders for liquidation, taking the total CIRPs ending in liquidation to 2030, excluding 20 cases where liquidation order has been set aside by NCLT/NCLAT/HC/SC. Of these, final reports have been submitted in 520 cases, as against in 403 cases till March 31, 2022. There are 1510 ongoing liquidation processes, whose status as on March 31, 2023 is presented in Figure 11.

Figure 11: Timeline: Ongoing Liquidations



Till December, 2022, 272 liquidation processes were closed by dissolution / going concern sale / compromise or arrangement as presented in the last newsletter. Dissolution of 9 more CDs, which happened during the earlier period were reported later, as presented in Part A of Table 5. During the quarter January - March, 2023, 30 more liquidation processes were closed, taking total number of closures by dissolution/sale as going concern/compromise or arrangement to 310

(after excluding one CD, M/s ALPS Liesure Holidays Private Limited, wherein the liquidator has filed application for restoration of liquidation proceedings, upon failure of Scheme of Compromise / Arrangement). The details of the same are presented in Table 5. At the end of March, 2023, 275 liquidations were closed by dissolution, 27 by going concern sale and 8 by compromise/arrangement.

Table 5: Details of Closed Liquidations

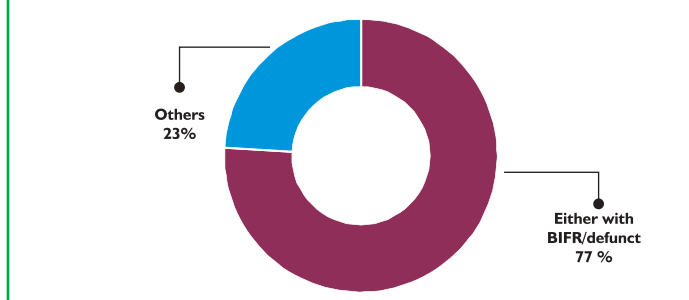
Sl.	Name of CD	Date of Order of Liquidation	Amount (in ₹ crore)				Date of Order of Dissolution/ Closure
			Admitted Claims	Liquidation Value	Sale Proceeds	Distributed to Stake holders	
Part A: For Prior Period (Till December, 2022)							
1	Baid Narrow Fab Private Limited	08-01-21	90.25	0.60	0.32	0.22	07-06-22
2	Dunn Foods Private Limited	06-02-18	122.50	25.92	14.48	13.35	13-07-22
3	Digicontrols Northern Private Limited	11-03-22	0	0.01	0.01	0	29-07-22
4	Confro Agro Ltd@	18-08-22	1.75	-	-	-	18-08-22
5	Technic Projects Constructions Private Limited@	19-09-22	0.50	-	-	-	19-09-22
6	Allbest Offshore Marine (India) Private Limited	11-11-21	0.37	0.04	0.04	0	02-11-22
7	Maadurga Thermal Power Company Limited \$	25-06-19	805.45	77.00	59.60	50.19	07-11-22
8	Rathi Ispat Limited	26-08-20	580.57	100.58	55.00	53.91	28-11-22
9	Titan Energy Systems Limited	08-08-19	253.23	2.68	7.96	6.73	08-12-22
Part B: For January – March, 2023							
1	Taurus Agile Technology Corporation Private Limited	26-09-19	197.55	33.67	22.56	21.42	02-01-23
2	Lumex Resource Private Limited@	10-01-23	NC	-	-	-	10-01-23
3	Electra Accumulators Limited	12-04-21	50.39	0.31	0.92	0.47	11-01-23
4	Synergy Fabrics Private Limited	28-07-21	9.10	0.18	0.13	0.13	16-01-23
5	Terra Energy Limited \$	17-02-22	549.36	27.65	23.05	21.90	18-01-23
6	Mahabir Techno Limited	22-02-19	57.30	4.28	8.68	8.42	19-01-23
7	Sri Sai Sindhu Industries Limited	22-02-21	16.55	1.46	0.71	0.41	19-01-23
8	Konark Power Project Limited \$	20-12-19	31.30	6.72	7.05	6.33	23-01-23
9	Baadh Technologies Private Limited	08-02-19	0.58	0.04	0.03	0	24-01-23
10	FNL AAC Block Private Limited	21-09-21	25.97	5.30	12.15	10.50	25-01-23
11	Lexcorp Advisory Services Private Limited.	11-04-22	3.74	0.05	-	-	27-01-23
12	Sasi Power Private Limited \$	13-04-22	11.92	4.96	3.73	2.88	03-02-23
13	Sharp Knife Company Private Limited	01-10-19	57.23	8.09	14.54	13.43	06-02-23
14	Inka Foods Private Limited	10-01-20	31.01	4.43	5.80	5.35	07-02-23
15	I.C.S.A. (India) Limited \$	18-08-20	4743.53	6.91	11.04	10.24	07-02-23
16	Gujarat State Construction Corporation Limited	02-03-22	58.20	0.02	0.06	0	08-02-23
17	India Techs Limited	05-03-21	99.11	4.79	5.97	5.42	08-02-23
18	Mehadia Sales Trade Corporation Private Limited	17-04-18	122.72	4.18	4.24	0.11	10-02-23
19	Ennore Coke Limited	23-03-18	215.87	42.85	17.94	11.69	15-02-23
20	GB Raja Top Weaving Private Limited	29-08-19	130.30	10.54	10.08	8.61	15-02-23
21	Churakulam Tea Estates Pvt Ltd \$	30-06-21	#	#	#	#	24-02-23

22	Avani Impex Private Limited.	16-11-21	2.95	6.81	3.12	2.95	24-02-23
23	Luxury Trains Private Limited	08-10-18	9.14	-	-	-	02-03-23
24	Oshiya Industries Private Limited@	03-03-23	85.78	-	-	-	03-03-23
25	Panama Systems Private Limited	10-12-20	3.02	0.71	0.77	0.55	06-03-23
26	Jai Laxmi Lighting Industries Private Limited	21-02-19	32.44	1.41	1.70	1.24	06-03-23
27	KRR Infra Projects Private Limited \$	22-03-22	344.93	2.37	2.68	2.19	10-03-23
28	Tag Info Solutions Private Limited	03-08-21	0.50	-	0	0	15-03-23
29	Avathera Pharma Private Limited@	21-03-23	1.82	-	0	0	21-03-23
30	SSP Sponge Iron Private Limited	08-07-21	56.67	1.48	0.56	0.45	29-03-23
Total (January – March, 2023)			6948.98	179.21	157.51	134.69	NA
Total (Till March, 2023)			71089.2	2740.86	2654.37	2447.21	NA

Notes:
 '-' means no value
 @ Direct dissolution; Claims pertain to CIRP period
 NC means no claims received during CIRP/liquidation process
 '0' means an amount below two decimals.
 \$ indicates Sale as going concern
 # Data awaited from Liquidator
 NA means Not Applicable

More than 76% of the CIRPs ending in liquidation (1548 out of 2022 for which data are available) were earlier with BIFR and/or defunct (Figure 12). 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 7% of the outstanding debt amount.

Figure 12: CIRPs ending with Order of Liquidation: State of CD at the Commencement of CIRP



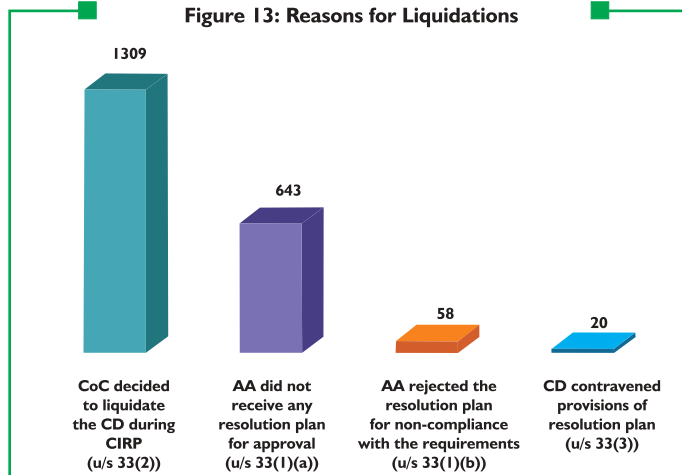
- Notes:
- There were 110 CIRPs, where CDs were in BIFR or non-functional but had resolution value higher than liquidation value.
 - Includes cases where no resolution plans were received and cases where liquidation value is zero or not estimated.
 - Data of 8 CIRPs is awaited.

Sale as Going Concern

Till March 31, 2022, 14 CDs were closed by sale as a going concern under liquidation process. These 14 CDs had claims amounting to ₹ 14,197.20 crore, as against the liquidation value of ₹ 432.69 crore and ₹ 494.75 crore was realised. During the year 2022-23, 13 more CDs were closed by sale as a going concern under liquidation process, which had claims amounting to ₹ 8,899.69 crore, as against the liquidation value of ₹ 276.62 crore and ₹ 263.12 crore was realised. Therefore, till March 31, 2023, 27 CDs, in total, were closed by sale as a going concern which had claims amounting to ₹ 23,096.89 crore, as against the liquidation value of ₹ 709.31 crore. The liquidators in these cases realised ₹ 757.86 crore and companies were rescued.

The AA passes an order for liquidation under four circumstances. As on March, 2023, 2030 orders for commencement of liquidation have been passed. The details of liquidation in these circumstances are presented in Figure 13.

Figure 13: Reasons for Liquidations



Regulation 12 of the IBBI (Liquidation Process) Regulations, 2016 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 1815 liquidations, for which data are available, are presented in Table 6.

Table 6: Claims in Liquidation Process

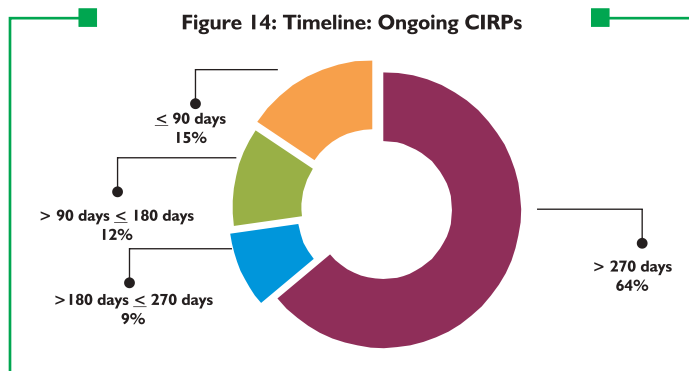
Stakeholders under Section	Number of Claimants	Admitted Claims	Amount (in ₹ crore)		
			Liquidation Value	Sale Proceeds ###	Distributed to Stakeholders
520 Liquidations where Final Report Submitted##					
52	71	13807.03	743.85	696.12	674.44
53 (1) (a)	NA	NA	4423.91	3886.74#	300.02
53 (1) (b)	3797	83106.84			3321.87
53 (1) (c)	3403	91.31			11.01
53 (1) (d)	674	7842.83			139.47
53 (1) (e)	620	7392.55			21.11
53 (1) (f)	5823	5924.52			102.28
53 (1) (g)	0	0			0
53 (1) (h)	159	48.01			5.72
Total (A)	14547	118213.09	5167.76	4582.86#	4575.92
Ongoing 1295 Liquidations*					
53 (1) (a)	NA	NA	51541.90**	Not Applicable	Not Applicable
53 (1) (b)	44247	663982.28			
53 (1) (c)	33837	1362.95			
53 (1) (d)	13306	137188.77			
53 (1) (e)	3104	37152.79			
53 (1) (f)	1983849	97001.41			
53 (1) (g)	74	880.88			
53 (1) (h)	105645	4134.24			
Total (B)	2184062	941703.32			
Grand Total (A+B)	2198609	1059916.41	56709.66		

Inclusive of unclaimed proceeds of ₹ 6.94 crore under liquidation.
 ## Data of 5 Final Report cases is partially available.
 ### The claims worth ₹ 6,644 crore receivable by CD have been assigned to third parties as per agreed terms.
 *Data for other liquidations are not available.
 **Out of 1510 ongoing cases, liquidation value of only 1438 CDs is available. Liquidation value of 1221 CDs taken during liquidation process is ₹ 45,742.76 crore and liquidation value of rest of the 217 CDs captured during CIRP is ₹ 5,799.14 crore.

Timeline of Ongoing CIRPs

The status of ongoing CIRPs as of March, 2023 in terms of time taken is presented in Figure 14.

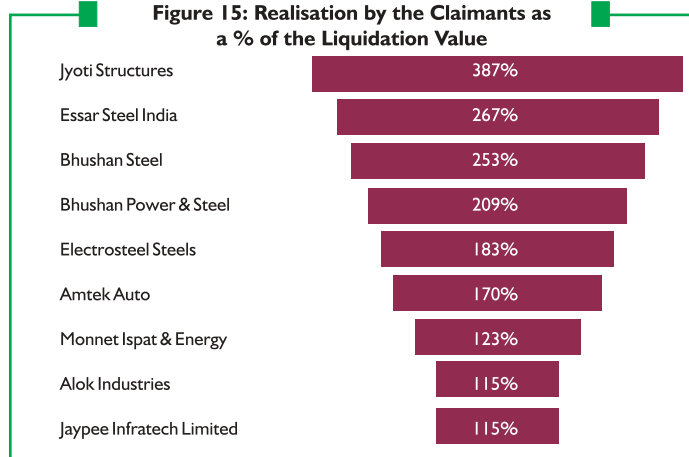
Figure 14: Timeline: Ongoing CIRPs



Twelve Large Accounts

Resolution of 12 large accounts was initiated by banks, as directed by the 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 nine CDs were approved and orders for liquidations were issued in respect of two CDs. Thus, CIRPs in respect of one CD 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 15.

Figure 15: Realisation by the Claimants as a % of the Liquidation Value



Large Cases (Admitted Claims > ₹ 1,000 crore)

Of the 678 CDs rescued under the Code, 117 had admitted claims of more than ₹ 1,000 crore. Till December, 2022, 102 such CDs have yielded resolution plans. 1 more CIRP with admitted claims of more than ₹ 1,000 crore was later reported as yielding resolution plan during that period. During January – March, 2023, 14 such CDs have yielded resolution plans. The realisable value of the assets available with these 117 CDs, when they entered the CIRP, was only ₹ 1.51 lakh crore, though they owed ₹ 8.09 lakh crore to the creditors. Till March 31, 2023, realisation by the claimants under resolution plans in comparison to liquidation value is 174.59%, while the realisation by them in comparison to their claims is 32.35%. 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.

Of 2030 CDs ending up with orders for liquidation, 176 had admitted claims of more than ₹ 1,000 crore. Till December, 2022, 165 such CDs had ended with orders of liquidation. During January – March, 2023, 11 more CDs has ended with order for liquidation. These CDs had an aggregate claim of ₹ 7.39 lakh crore. However, they had assets, on the ground, valued only at ₹ 0.41 lakh crore.

Resolution of FiSPs

CIRP against Dewan Housing Finance Corporation Ltd., was admitted on December 3, 2019, 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 below mentioned financial service providers (FiSPs): -

Table 7: Details of applications admitted for FiSPs

Sl.	Name of the FiSP	Date of Admission
1	Srei Equipment Finance Limited	08-10-21
2	Srei Infrastructure Finance Limited	08-10-21
3	Reliance Capital Limited	06-12-21

CIRPs in respect of aforementioned FiSPs are underway, as per the provisions of the Code.

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. 871 applications seeking avoidance of transactions have been filed with the AA till March 31, 2023 as presented in Table 8.

Table 8: Details of avoidance applications and disposal

(Amount in ₹ crore)

Sl.	Nature of transactions	Applications Filed		Applications Disposed		
		Number of transactions	Amount involved	Number of transactions	Amount involved	Amount clawed back
1	Preferential	134	15056.69	40	651.13	34.15
2	Undervalued	16	884.73	4	362.00	5.77
3	Fraudulent	176	64234.89	23	1049.23	5.59
4	Extortionate	3	70.68	-	-	-
5	Combination	542	205121.40	96	40034.15	5169.59*
	Total	871	285368.39	163	42096.51	5215.10*

*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 ₹ 5,500 crore.

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, 2023, 1559 corporate persons initiated voluntary liquidation (Figure 16). Till March 31, 2022, 708 final reports were submitted. During the year 2022-23, 316 final reports were submitted, taking the total final reports submission to 1024 cases. Further, 15 processes have been withdrawn by March 31, 2023. The status of 520 ongoing voluntary liquidations is presented in Figure 17.

Figure 16: Commencement of Voluntary Liquidations

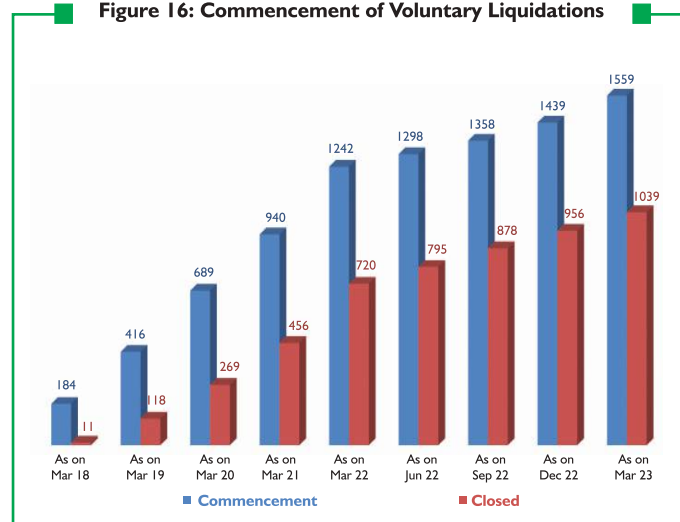
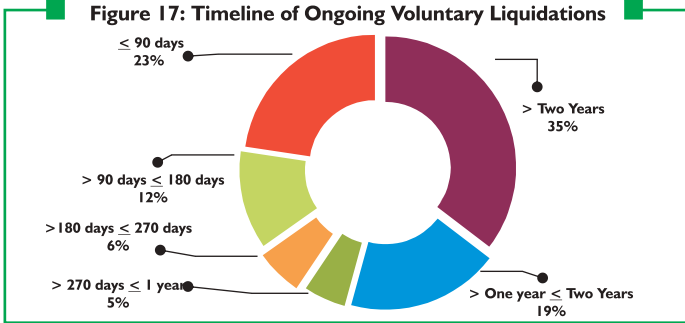
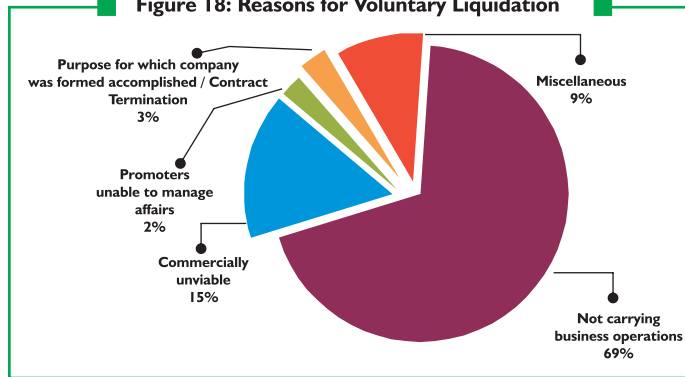


Figure 17: Timeline of Ongoing Voluntary Liquidations



Of the 1544 corporate persons that initiated voluntary liquidations till March 31, 2023, the reasons for these initiations are available for 1417 cases, which are presented in Figure 18.

Figure 18: Reasons for Voluntary Liquidation



Most of these corporate persons are small entities. 897 of them have paid-up equity capital of less than ₹ 1 crore. Only 199 of them have paid-up capital exceeding ₹ 5 crore. The corporate persons, for which details are available, have an aggregate paid-up capital of ₹ 10,448 crore (Table 9).

Table 9: Details of 1544 Voluntary Liquidations (Excluding 15 Withdrawals)

Details of	No. of Liquidations	Amount (in ₹ crore)				
		Paid-up capital*	Assets	Out-standing debt	Amount paid to creditors	Surplus
Liquidations for which Final Reports submitted**	1024	5711	6392***	73	73	6727
Ongoing Liquidations	520	4737#	2957#	****		
Total	1544	10448	9349	****		

Notes:

* Paid up capital is not available in case of seven companies as they are limited by guarantee companies where there exist no shareholders and paid-up capital.

** Data for 38 Final Report cases are awaited.

*** Assets of 21 cases are not available.

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

Paid up capital and assets of 421 and 392 cases, respectively, are available.

It was reported in the last newsletter that dissolution orders were passed in respect of 445 voluntary liquidations. Dissolution orders in respect of 31 more voluntary liquidations, which were issued during the earlier period, were reported later, as indicated in Part A of Table 10. During the quarter January - March, 2023, dissolutions orders in respect of 36 voluntary liquidations were issued taking the total dissolutions to 512. These 512 corporate persons owed ₹ 36.76 crore to creditors and through voluntary liquidation process, they were paid full amount.

Table 10: Realisations under Voluntary Liquidations

Sl.	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: For Prior Period (Till December 31, 2022)								
1	Indigram Supply Chain Solutions Private Limited	29-01-19	12-07-19	0.49	-	-	0.02	0.47
2	Jyothirgamaya Education Private Limited	15-07-18	09-09-19	1.73	1.64	1.64	0.08	-
3	Foundation for Civilisational and Development Studies	29-01-19	06-11-19	0	-	-	0	-
4	HMS Host and Lite Bite Private Limited	12-09-18	11-11-19	0.53	0.46	0.46	0.04	0.03
5	SB&N Freight Exchange Private Limited	19-11-18	26-11-19	1.21	-	-	0.01	1.20
6	GIPCL Projects and Consultancy Company Limited	03-01-19	06-01-20	0.40	-	-	0.03	0.38
7	Naiad Natural Herb India Private Limited	12-07-18	06-01-20	0.11	0.03	0.03	0.02	0.05
8	Medinfi Healthcare Private Limited	22-02-19	09-01-20	0	-	-	0	-
9	Cambridge Consultants (India) Product Development Private Limited	19-07-18	02-05-20	0.31	-	-	0.01	0.30
10	Match Manufacturers Service Association	03-06-19	29-05-20	0.01	-	-	0.01	-
11	Hirit Hydro Power Private Limited	17-12-18	12-03-21	1.57	-	-	0.04	1.53
12	Suryam Projects Private Limited	13-05-19	22-03-21	11.14	-	-	0.03	11.11
13	Sequenom Biosciences (India) Private Limited	22-09-20	01-07-21	0.01	0	0	0.01	-
14	Neo Surface Technology (India) Private Limited	22-04-19	06-08-21	0.58	0.01	0.01	0.06	0.51
15	Ivisa Global Facilitation Services Private Limited	22-03-18	23-08-21	1.40	0	0	0.16	1.24
16	Indo Japan Air Services Private Limited	17-12-21	30-01-22	1.93	0.01	0.01	0.04	1.88
17	Kingspan India Private Limited	17-06-19	23-03-22	0.17	0.12	0.12	0.05	-
18	Alexandria Gujarat Tech Park Private Limited	22-01-18	18-04-22	4.11	0.27	0.27	0.14	3.70
19	Peel Technologies (India) Private Limited	04-09-21	30-06-22	0.40	-	-	0.07	0.33
20	Wells Fargo International Finance (India) Private Limited	05-10-18	18-08-22	1.61	0	0	0.40	1.21
21	Dibya Housing and Finance Pvt Ltd	15-03-21	25-08-22	0.52	0.51	0.51	0.01	-
22	Equis Housing Private Limited	30-09-20	25-08-22	0.03	-	-	0.03	-
23	KSA Rampart Private Limited	30-07-21	13-09-22	1.76	-	-	0.02	1.74
24	Henderson Equity Partners India Private Limited	30-10-17	16-11-22	2.90	-	-	0.85	2.06
25	Star Capital Management Limited	16-03-22	01-12-22	1.72	-	-	0.02	1.70
26	IV Share and Stock Brokers Ltd	20-02-20	02-12-22	0.29	-	-	0.03	0.26
27	Transit Operations India Private Limited	28-02-20	05-12-22	0.47	-	-	0.14	0.32
28	Rapid Scan Systems Limited	21-09-20	09-12-22	4.80	4.77	4.77	0.03	-

29	Lastline Technologies Private Limited	29-09-21	16-12-22	0.08	-	-	0.01	0.07	
30	G D M Traders Private Limited	06-01-22	21-12-22	0.03	-	-	0.01	0.02	
31	LF Financial Services Private Limited	13-07-22	22-12-22	1.72	-	-	0.05	1.67	
Part B: For January – March, 2023									
1	SRII M.PF. Industries LLP	15-07-21	04-01-23	3.53	-	-	3.53	0	
2	Suxxus DBS Securities Limited	24-01-22	12-01-23	0.48	-	-	0.19	0.29	
3	Black Rose (Henna) Private Limited	18-11-20	16-01-23	1.65	-	-	0.02	1.63	
4	Spire Advisory Services India Private Limited	14-04-21	18-01-23	21.44	-	-	0.23	21.21	
5	Hainan Constructions Private Limited	06-01-22	18-01-23	0.03	0.01	0.01	0.01	0.01	
6	ProdekLektronics Private Limited	12-03-18	20-01-23	6.34	0.46	0.46	0.03	5.85	
7	Colourful Eco Park Limited	08-07-20	20-01-23	1.67	-	-	0.05	1.62	
8	Southern Bags & Chemicals Private Limited	09-04-20	20-01-23	0.37	-	-	0.06	0.31	
9	Yogeshwar Enterprise Private Limited	10-11-21	23-01-23	1.41	-	-	0.02	1.38	
10	Poseidon Diving Operators Private Limited	24-12-18	24-01-23	0.46	-	-	0.02	0.43	
11	Smasher Communications Private Limited	19-03-22	24-01-23	0.08	-	-	0.08	-	
12	Tadano India Private Limited	25-07-19	24-01-23	1.76	-	-	0.41	1.35	
13	American Orient Capital Partners India Private Limited	24-06-21	25-01-23	0.05	-	-	0.05	-	
14	Bee Gee Developers Private Limited	25-02-21	30-01-23	0.78	-	-	0.11	0.67	
15	Analytics First Private Limited	25-07-20	31-01-23	0.31	-	-	-	0.31	
16	ADS Advanced Engineering (India) Private Limited	17-10-20	31-01-23	1.32	-	-	0.04	1.28	
17	Smartcooky Internet Limited	12-03-21	03-02-23	0	-	-	0	-	
18	Wilson Tool India Private Limited	31-03-22	07-02-23	0.45	0.18	0.18	0.27	-	
19	SR Reclamation Private Limited	30-01-20	08-02-23	0.47	-	-	0.04	0.44	
20	Dhandho India Private Limited	30-11-19	08-02-23	0.06	-	-	0.05	0.01	
21	Sandhar Ecco Green Energy Private Limited	22-05-21	10-02-23	1.56	0.03	0.03	0.07	1.46	
22	Maanchet Machine (India) Private Limited	15-11-19	13-02-23	0.31	-	-	0.01	0.30	
23	Caritor Tech Park India Private Limited	22-09-22	13-02-23	1.50	0	0	0.01	1.49	
24	CAI Industries CBE Private Limited	07-10-20	13-02-23	2.10	-	-	0.05	2.05	
25	Hitachi Nest Control Systems Private Limited	04-10-18	15-02-23	19.28	-	-	1.48	17.80	
26	Commonwealth Power (India) Private Limited	14-06-19	17-02-23	0.01	-	-	0.01	-	
27	MG and Co. Private Limited	29-12-21	17-02-23	0.62	-	-	0.05	0.57	
28	Wellwisher Investment and Trading Limited	26-07-21	21-02-23	0.21	-	-	0.02	0.19	
29	YBS (IFSC) Private Limited	05-08-21	27-02-23	1.19	-	-	0.01	1.17	
30	BTL Builders Private Limited	30-03-21	27-02-23	0.73	0.05	0.05	0.01	0.67	
31	HSBC Global Shared Services (India) Private Limited	15-06-17	03-03-23	5.21	-	-	0.68	4.53	
32	M APR Technologies Research and Development India Private Limited	27-09-21	14-03-23	0.82	0.19	0.19	0.63	-	
33	IL&FS Broking Services Private Limited	07-12-18	17-03-23	-	-	-	-	-	
34	Tata Hal Technologies Limited	08-06-21	17-03-23	0.81	0.08	0.08	0.06	0.67	
35	Ooyalala India Private Limited	22-11-20	29-03-23	0.50	-	-	0.23	0.27	
36	Proterra Investment Advisors India Private Limited	19-08-21	29-03-23	2.05	-	-	0.31	1.74	
Total (January–March, 2023)				79.56	1.00	1.00	8.84	69.70	
Total (Till March, 2023)				3945.21	36.76	36.76	101.10	3807.27	

'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 I I .

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

Time (In days)

Sl.	Average time	As on March, 2021			As on March, 2022			April, 2022 to March, 2023		
		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
CIRPs										
1	From ICD to approval of resolution plans by AA	351	464	406	498	535	451	180	831	682
2	From ICD to order for Liquidation by AA	1287	352	NA	1630	415	NA	400	623	NA
Liquidations										
3	From LCD to submission of final report under Liquidation	267	427	NA	403	489	NA	117	678	NA
4	From LCD to submission of final report under Voluntary Liquidation	447	381	NA	708	427	NA	316	376	NA
5	From LCD to order for dissolution under Liquidation	146	398	NA	237	516	NA	73	829	NA
6	From LCD to order for dissolution under Voluntary Liquidation	245	512	NA	351	583	NA	161	789	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, 2023 are presented in Table 12.

Table 12: Corporate Liquidation Accounts as on March 31, 2023

(Amount in ₹ lakh)

Name of Account	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
Apr-Jun, 2022	613.32	8.36	0.00	621.68
Jul-Sep, 2022	621.68	223.82	0.00	845.50
Oct-Dec, 2022	845.50	24.40	0.00	869.90
Jan-Mar, 2023	869.90	339.52	0.00	1209.42
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
Apr-Jun, 2022	349.67	2.02	10.42	341.27
Jul-Sep, 2022	341.27	3.79	0.00	345.06
Oct-Dec, 2022	345.06	6.28	0.00	351.34
Jan-Mar, 2023	351.34	229.20	0.00	580.54

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, four applications have been admitted as on March, 2023, out of which one has been withdrawn. The details of the ongoing cases are in Table 13.

Table 13: List of cases admitted for PPIRP as on March 31, 2023

Sl.	Name of the CD	Date of admission	Name of the NCLT Bench
1	GCCL Infrastructure & Projects Ltd.	14-09-21	Ahmedabad
2	Enn Tee International Limited	10-10-22	New Delhi
3	Amrit India Limited	28-11-22	New Delhi

Summary of Outcomes

(a) The primary objective of the Code is rescuing lives of CDs in distress. The Code has rescued 2485 CDs (678 through resolution plans, 959 through appeal or review or settlement and 848 through withdrawal) till March, 2023. It has referred 2030 CDs for liquidation. The resolved CDs had assets valued at ₹ 1.70 lakh crore, while the CDs referred for liquidation had assets valued at ₹ 0.64 lakh crore when they were admitted to CIRP. Thus, in value terms, around 73% of distressed assets were resolved. Of the CDs sent for liquidation, more than three-fourth were either sick or defunct and of the firms resolved, one-third were either sick or defunct.

- (b) The realisable value of the assets available with the 678 CDs rescued, when they entered the CIRP, was only ₹ 1.70 lakh crore, though they owed ₹ 8.99 lakh crore to creditors. The resolution plans realised ₹ 2.86 lakh crore, which is more than 168% 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 ₹ 168 under the Code. The excess recovery of ₹ 68 is a bonus from the Code. Though recovery is incidental under the Code, the FCs recovered 34.14% 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 83.33% 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.
- (c) The 2030 CDs ending up with orders for liquidation had an aggregate claim of ₹ 9.20 lakh crore. However, they had assets, on the ground, valued only at ₹ 0.64 lakh crore. Till March, 2023, 520 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 520 CDs together had outstanding claims of ₹ 1,18,213.09 crore, but the assets valued at ₹ 5,167.76 crore. ₹ 4,582.86 crore were realised through liquidation of these companies.
- (d) 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. As per data received from NCLT, as on March 31, 2023 25,107 applications for initiation of CIRPs of CDs having underlying default of ₹ 8,81,329.35 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.
- (e) The Code endeavours to close the various processes at the earliest. It prescribes timelines for some of them. The 678 CIRPs, which have yielded resolution plans by the end of March, 2023 took on average 512 days (after excluding the time excluded by the AA) for conclusion of process. Similarly, the 2030 CIRPs, which ended up in orders for liquidation, took on average 456 days for conclusion. Further, 520 liquidation processes, which have closed by submission of final reports took on average 531 days for closure. Similarly, 1024 voluntary liquidation processes, which have closed by submission of final reports, took on average 411 days for closure.
- (f) Till March, 2023, a total of 678 CIRPs have yielded resolution plans. The cost details are available in respect of 646 CIRPs. The cost works out on average 1.03% of liquidation value and 0.61% of resolution value.

Individual Processes

Insolvency Resolution Process

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 Debt Recovery Tribunal (DRT), 1839 applications have since been filed as of March 31, 2023 for initiation of personal insolvency resolution process (PIRP) of PGs to CDs. Out of them, 170 applications have been filed by the debtors and 1669 applications by the creditors under sections 94 and 95 of the Code, respectively. Among them 22 have been filed before different benches of DRT and 1817 have been filed before different benches of NCLT (Table 14).

Table 14: Insolvency Resolution of Personal Guarantors

(Amount in ₹ crore)

Period	Applications filed by				Total		Adjudicating Authority	
	Debtors (u/s 94)		Creditors (u/s 95)		No.	Debt Amount	NCLT	DRT
	No.	Debt Amount	No.	Debt Amount				
2019-20	3	49.66	20	3289.85	23	3339.51	22	1
2020-21	20	2485.94	236	37632.83	256	40118.77	250	6
2021-22	85	3095.87	840	62370.56	925	65466.43	910	15
Apr - Jun, 2022	16	698.73	174	7525.29	190	8224.02	190	0
Jul - Sep, 2022	23	1128.67	155	12896.91	178	14025.58	178	0
Oct - Dec, 2022	17	8533.46	114	4047.74	131	12581.20	131	0
Jan - Mar, 2023	6	15.75	130	9393.37	136	9409.12	136	0
Total	170	16008.08	1669	137156.55	1839	153164.63	1817	22

Note: The data are provisional. These are revised on a continuous basis as further information is received.

Debt data not available in 326 cases.

Of the 1839 applications, 63 applications have been withdrawn/ rejected/ dismissed before the appointment of RP and RPs have been appointed in 760 cases. After the appointment of RP, 36 cases have been withdrawn/ rejected/ dismissed and 208 cases have been admitted. The details are given in Table 15.

Out of the 208 admitted PIRPs, 60 have been closed. Of these, 6 have been withdrawn; 40 have been closed on non-submission or rejection of repayment plan; and 14 have yielded approval of repayment plan. The creditors have realised ₹ 23.10 crore, which is 1.57% of their admitted claim. Table 16 presents the details of 12 cases, which have yielded approval of repayment plan during the quarter January - March, 2023.

Table 15: Status of filed applications for initiation of Insolvency Resolution Process of PGs to CDs

(Number)

Period	No. of applications filed	Before appointment of RP		No. of cases where RPs have been appointed*	After appointment		No. of cases Admitted
		No. of Applications with drawn	No. of Applications dismissed/ rejected		No. of Applications with drawn	No. of Applications dismissed/ rejected	
2019-20	23	0	0	2	0	0	0
2020-21	256	6	1	35	2	1	9
2021-22	925	14	11	359	0	7	30
Apr - Jun, 2022	190	3	15	142	2	5	103
Jul - Sep, 2022	178	2	5	129	3	0	31
Oct - Dec, 2022	131	3	2	54	4	10	11
Jan - Mar, 2023	136	0	1	39	0	2	24
Total	1839	28	35	760	11	25	208

*This includes the admitted cases and cases, which are withdrawn or dismissed or rejected after appointment of RP.

Bankruptcy Process

If the resolution process fails or repayment plan is not implemented, the debtor or the creditor may make an application for initiation of the bankruptcy process. As per the information received from the applicants, IPs and data collected from various benches of NCLT and DRT, 10 bankruptcy applications have since been filed as of March, 2023. All the 10 applications are initiated by the creditors under section 123 of the Code. Among them one application has been filed before DRT, Chennai and nine applications have been filed before different benches of NCLT.

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. Pursuant to the IBBI (Insolvency Professionals) (Fourth Amendment) Regulations, 2022 read with IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2022, the Insolvency Professional Entities (IPEs) have been permitted to carry on the activities of an IP. An IP needs an authorization 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, 2023 and AFAs held by them, IPA-wise, are presented in Table 17. A geographical distribution of IPs as on March 31, 2023 is presented in Figure 19.

Table 16: PIRPs Yielding Approval of Repayment Plan

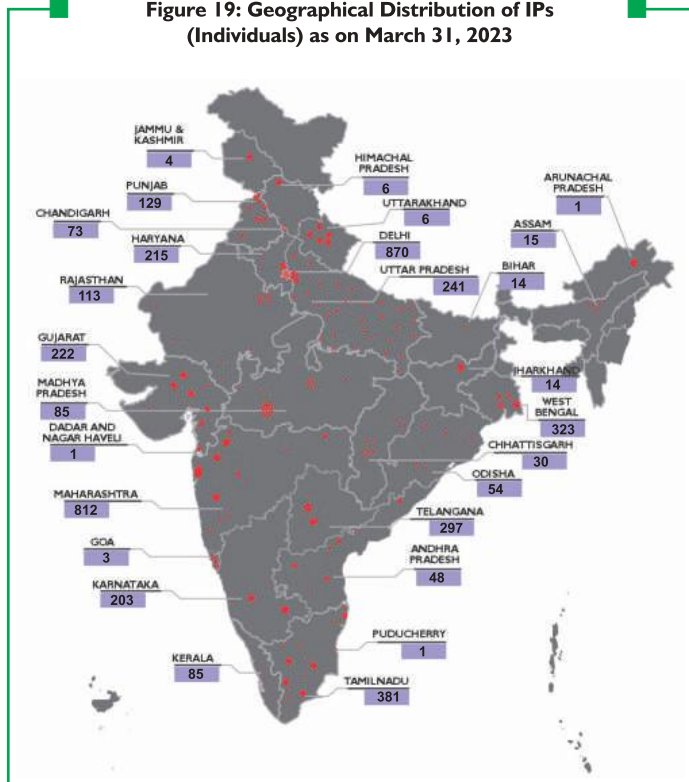
(Amount in ₹ crore)

Sl.	Name of the PG	Name of the CD	PIRP initiated by	Date of commencement of PIRP	Date of approval of plan	Total admitted claims	Realisable Amount	Realisable % of realisation by creditors
1	J Vikram	Vishwa Infra-structures & Services Pvt. Ltd.	Creditor	15-02-22	09-03-23	1441.6	11.1	0.77 %
2	M Radha Devi		Creditor	15-02-22	09-03-23			
3	K Vijay Kumar		Creditor	15-02-22	09-03-23			
4	K Supriya		Creditor	15-02-22	09-03-23			
5	M Laxmi Narayan Reddy		Creditor	15-02-22	09-03-23			
6	K Tara Bai		Creditor	15-02-22	09-03-23			
7	L Sridhar Reddy		Creditor	15-02-22	09-03-23			
8	M Laxmi Prasanna		Creditor	15-02-22	09-03-23			
9	Y Padmaja		Creditor	15-02-22	09-03-23			
10	Yerra Srinivas		Creditor	15-02-22	09-03-23			
11	Y Narsinga Rao		Creditor	15-02-22	09-03-23			
12	J Sunitha		Creditor	15-02-22	09-03-23			
Total (January - March, 2023)						1441.6	11.1	0.77 %
Total (Till March, 2023)						1471.88	23.10	1.57 %

Table 17: Registered IPs and AFAs as on March 31, 2023

City / Region	Registered IPs				IPs having AFA			
	IIIP ICAI	ICSI IIP	IPA of ICAI	Total	IIIP ICAI	ICSI IIP	IPA of ICAI	Total
New Delhi	487	287	95	869	284	168	60	512
Rest of Northern Region	502	211	75	788	262	117	39	418
Mumbai	425	151	40	616	241	78	27	346
Rest of Western Region	359	129	50	538	222	75	22	319
Chennai	155	89	20	264	88	45	14	147
Rest of Southern Region	436	228	86	750	221	127	59	407
Kolkata	232	43	25	300	149	23	13	185
Rest of Eastern Region	79	31	11	121	46	17	8	71
Total (Individual)	2675	1169	402	4246	1513	650	242	2405
Total (IPE as IP)	24	8	9	41	22	7	9	38
Grant Total	2699	1177	411	4287	1535	657	251	2443

Figure 19: Geographical Distribution of IPs (Individuals) as on March 31, 2023



Of the 4319 IPs registered till date, registrations of 7 IPs have been cancelled through disciplinary action, and registrations of 2 IPs cancelled on failing to fulfil the requirement of fit and proper person status. As per information available, 23 IPs have passed away. The registrations and cancellations of registrations IPs, quarter wise, till March 31, 2023 are presented in Table 18.

Table 18: 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 fulfil the continuing requirement of 'fit and proper person' status	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
Apr-Jun, 2022	4044	56	2	0	2	4096
Jul-Sep, 2022	4096	80	0	0	1	4175
Oct-Dec, 2022	4175	43	0	0	2	4216
Jan-Mar, 2023	4216	30	0	0	0	4246
Total (Individual)	NA	4278	7	2	23	4246
Total (IPE as IP)	0	41	0	0	0	41
Grand Total	NA	4319	7	2	23	4287

Registration 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, ICMIA 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. At Indian Institute of Corporate Affairs, the first batch (2019-21) and the second batch (2020-22) have successfully completed the course. The third batch (2021-23) has proceeded with internships while the fourth batch (2022-24) commenced classes from July 1, 2022. In respect of National Law Institute University, Bhopal, classes for the first batch of students commenced from July 25, 2022. The IBBI has granted 28 registrations based on this qualification, until March 31, 2023.

Table 19 presents distribution of IPs as per their eligibility (an IP may be a member of more than one Institute) as on March 31, 2023. Of the 4246 IPs as on March 31, 2023, 420 IPs (constituting about ten per cent of the total registered IPs) are female.

The Regulations provide that an IP shall be eligible to obtain an AFA if he has not attained the age of 70 years. Table 20 presents the age profile of the IPs registered as on March 31, 2023.

Table 19: Distribution of IPs as per their Eligibility as on March 31, 2023

Eligibility	No. of IPs		
	Male	Female	Total
Member of ICAI	2133	207	2340
Member of ICSI	585	129	714
Member of ICMIA	185	19	204
Member of Bar Council	230	32	262
Managerial Experience	667	31	698
GIP Qualified	26	2	28
Total	3826	420	4246

Table 20: Age Profile of IPs as on March 31, 2023

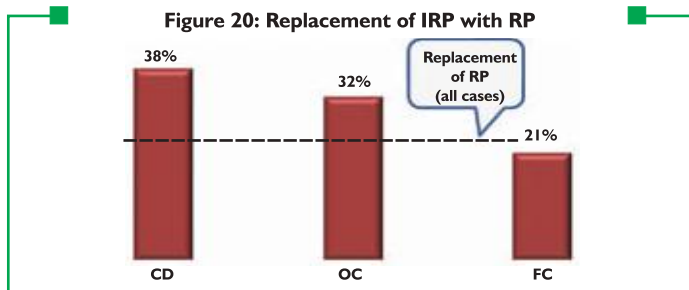
Age Group (in Years)	Registered IPs				IPs having AFA#			
	IIP ICAI	ICSI IIP	IPA ICAI	Total	IIP ICAI	ICSI IIP	IPA ICAI	Total
≤ 30	13	8	0	21	9	3	0	12
> 30 ≤ 40	241	67	19	327	146	40	13	199
> 40 ≤ 50	953	383	54	1390	572	233	29	834
> 50 ≤ 60	803	334	100	1237	453	192	68	713
> 60 ≤ 70	610	327	206	1143	334	182	131	647
> 70 ≤ 80	53	44	19	116	NA	NA	NA	NA
> 80 ≤ 90	2	6	3	11	NA	NA	NA	NA
> 90	1	0	0	1	NA	NA	NA	NA
Total	2676	1169	401	4246	1514	650	241	2405

Excluding 790 AFAs which are expired / not renewed.

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, 2023, as per updates available, a total of 1381 IRPs have been replaced with RPs, as shown in Figure 20. It is observed that IRPs in about 38% of CIRPs initiated by CD are replaced by RPs, in 32% of CIRPs initiated by OCs and in 21% of CIRPs initiated by FCs.



Insolvency Professional Entities

During the quarter under review, six IPEs were recognised. As on March 31, 2023, there were 107 IPEs (Table 21).

Table 21: IPEs as on March 31, 2023

Quarter	No. of IPEs		
	Recognised	De-recognised	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
Apr - Jun, 2022	4	0	95
Jul - Sep, 2022	2	1	96
Oct - Dec, 2022	5	0	101
Jan - Mar, 2023	6	0	107
Total	153	46	107

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, 2023, there are three IPAs registered in accordance with the Code and Regulations. The IBBI interacts with the Managing Directors (MDs) of the IPAs and the IU every month, to obtain feedback on areas of concern for the profession of IPs and discuss the resolutions and the way forward. Table 22 presents the details of activities by the IPAs. Table 23 gives detail of number of continuing professional education (CPE) hours earned by IPs.

Information Utility

There is one IU, namely, the 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 every month to discuss the issues relating to receipt and authentication of financial information. During interaction 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 21 provides details of the registered users and information with NeSL, as submitted by it.

The Code provides that the data with the IU facilitates the CIRP. The record of default (RoD) of the IU provides evidence of debt and default and assists the AA in deciding on an application for admission of insolvency proceedings against a CD. Sections 7(3) & 9(3) of the Code read with the AA Rules, require submission of RoD from an IU as evidence of default, among various other options, along with application for initiation of CIRP. The RoD issued by an IU has evidentiary value in IBC processes. It contains complete details of the parties to the debt, debt information, security details, default information, details of communication with debtor and authentication status by the counter parties of the debt categorized in accordance with regulation 21 of the IBBI (Information Utilities) Regulations,

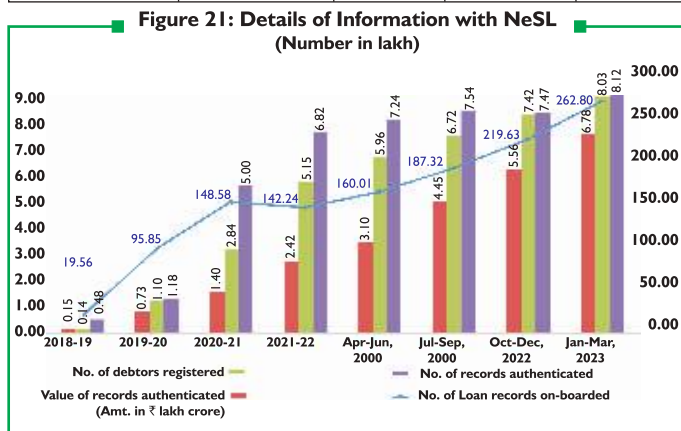
2017. The IU issues RoD in every defaulted loan (unique debt) reported to it on completing the process of authentication. As at the end of March, 2023, NeSL has issued about 88,255 RoDs to support the IBC ecosystem.

Table 22: 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	-	7	100	4	11
2019 - 20	11	30	9	157	9	127
2020 - 21	14	193	66	102	42	102
2021 - 22	13	133	56	81	23	12
Apr - Jun, 2022	02	44	30	60	80	-
Jul - Sep, 2022	02	40	22	29	-	16
Oct - Dec, 2022	03	55	23	32	5	60
Jan - Mar, 2023	08	92	29	71	-	49
Total	69	587	242	632	163	377

Table 23: CPE Hours earned by the IPs

Period	Number of CPE Hours earned by members of			
	IIP ICAI	ICSI IIP	IPA ICAI	Total
2019 - 20	1160	695	320	2175
2020 - 21	18465	8746	4647	31858
2021 - 22	14123	7890	3872	25885
Apr - Jun, 2022	1651	2205	820	4676
Jul - Sep, 2022	1338	947	818	3103
Oct - Dec, 2022	5092	3972	1198	10262
Jan - Mar, 2023	14104	3608	597	18309
Total	55933	28063	12272	96268
Average CPE hours				
Per registered IP	20.90	24.01	30.60	22.67



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 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 enrol 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 15 RVOs, Assessors and Registered Valuers Foundation being the latest RVO recognised. The IBBI meets MDs / CEOs of RVOs 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, 2023, are given in Table 24. A total of

5190 individuals have active registrations, three of them are registered for all three asset classes, 83 are registered for two asset classes and the balance 5104 are registered for one asset class. As on March 31, 2023, the registration of two RVs have been cancelled and registration of 1 individual and 1 entity is under suspension.

Table 24: Registered Valuers as on March 31, 2023

(Number)

Sl.	Registered Valuer Organisation	No. of registration granted in each Asset Class			
		Land & Building	Plant & Machinery	Securities or Financial Assets	Total
1	RVO Estate Managers and Appraisers Foundation	87	14	16	117
2	IOV Registered Valuers Foundation	1524	244	179	1947
3	ICSI Registered Valuers Organisation	0	0	248	248
4	IIV India registered Valuers Foundation	174	48	55	277
5	ICMAI Registered Valuers Organisation	50	31	308	389
6	ICAI Registered Valuers Organisation	NA	NA	1037	1037
7	PVAI Valuation Professional Organisation	321	56	131	508
8	CVSRTA Registered Valuers Association	208	61	NA	269
9	Association of Certified Valuators and Analysts	NA	NA	4	4
10	CEV Integral Appraisers Foundation	139	43	3	185
11	Divya Jyoti Foundation	93	18	62	173
12	Nandadeep Valuers Foundation	5	0	1	6
13	All India Institute of Valuers Foundation*	4	2	8	14
14	International Business Valuers Association	3	1	20	24
15	All India Valuers Association	2	NA	NA	2
16	Assessors and Registered Valuers foundation	39	13	27	79
Total		2649	531	2099	5279

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

*The RVO has merged with IOV Registered Valuers Foundation and the transfer of membership of members is under process.

RVs are permitted to form an entity (Partnership / Company) for rendering valuation services. There are 84 such entities registered as RVs as on March 31, 2023, as presented in Table 25. 35 of them are registered for three asset classes, 14 are registered for two asset classes and 35 are registered for one asset class. The registration of RVs till December 31, 2022 is given in Table 26.

As on March 31, 2023, 1362 RVs (constituting 26% of the total RVs registered) are from metros, while 3917 RVs (constituting 74% of the total RVs registered) are from non-metro locations. The region wise detail of RVs is given in Table 27.

Table 25: Registered Valuers (Entities) as on March 31, 2023

Registered Valuer Organisation	Number of Entities	Asset Class		
		Land & Building	Plant & Machinery	Securities or Financial Assets
RVO Estate Managers and Appraisers Foundation	5	5	3	4
IOV Registered Valuers Foundation	30	27	24	23
ICSI Registered Valuers Organisation	4	0	0	4
IIV India Registered Valuers Foundation	1	1	1	0
ICMAI Registered Valuers Organisation	14	7	7	14
ICAI Registered Valuers Organisation	15	0	0	15
PVAI Valuation Professional Organisation	2	2	2	2
CVSRTA Registered Valuers Association	1	1	1	0
CEV Integral Appraisers Foundation	1	1	1	0
Divya Jyoti Foundation	3	2	2	3
All India Institute of Valuers Foundation	1	1	1	1
International Business Valuers Association	6	6	4	4
Total	83	53	46	70

Note: The registration of 1 entity is under suspension.

Table 26: Registration of RVs till March 31, 2023

(Number)

Year / Quarter	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
Apr - Jun, 2022	48	6	52	106
Jul - Sep, 2022	100	21	110	231
Oct - Dec, 2022	119	23	88	230
Jan - Mar, 2023	44	7	25	76
Total	2651	531	2100	5282

Note: The registration of 2 RVs has since been cancelled and registration of 1 RV is under suspension.

Table 27: Region wise RVs as on March 31, 2023

(Number)

Year / Quarter	Land & Building	Plant & Machinery	Securities or Financial Assets	Total
New Delhi	89	37	254	380
Rest of Northern Region	430	87	371	888
Mumbai	120	55	319	494
Rest of Western Region	759	153	349	1261
Chennai	120	45	150	315
Rest of Southern Region	1049	127	491	1667
Kolkata	33	19	121	173
Rest of Eastern Region	49	8	44	101
Total	2649	531	2099	5279

The average age of RVs as on March 31, 2022 stood at 48 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 28). Of the 5279 RVs as on March 31, 2023, 523 RVs (constituting about 10% of the total RVs) are females.

Table 28: Age profile of RVs as on March 31, 2023

Age Group (in years)	Land & Building	Plant & Machinery	Securities or Financial Assets	Total
≤ 30	150	7	113	270
> 30 ≤ 40	533	77	806	1416
> 40 ≤ 50	533	111	661	1305
> 50 ≤ 60	1008	158	323	1489
> 60 ≤ 70	375	121	180	676
> 70 ≤ 80	44	54	15	113
> 80	6	3	1	10
Total	2649	531	2099	5279

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 (PMO), MCA, and other authorities. The receipt and disposal of grievances and complaints till March 31, 2023 is presented in Table 29.

Table 29: Receipt and Disposal of Grievances and Complaints till March 31, 2023

(Number)

Year / Quarter	Complaints and Grievances Received						Total		
	Under the Regulations		Through CPGRAM/ PMO/MCA/ Other Authorities)		Through Other Modes		Received	Disposed	Under Examination
	Received	Disposed	Received	Disposed	Received	Disposed			
2017-2018	18	0	6	0	22	2	46	2	44
2018-2019	111	51	333	290	713	380	1157	721	480
2019-2020	153	177	239	227	1268	989	1660	1393	747
2020-2021	268	260	358	378	990	1364	1616	2002	361
2021-2022	276	279	574	570	611	784	1461	1633	189
Apr-Jun, 2022	61	74	89	110	59	131	209	315	83
Jul-Sep, 2022	62	50	84	58	75	49	221	157	147
Oct-Dec, 2022	55	42	50	70	67	69	172	181	138
Jan-Mar, 2023	57	45	176	148	37	23	270	216	192
Total	1061	978	1909	1851	3842	3791	6812	6620	192

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 same continuously to keep it relevant with respect to dynamics of the market. It has successfully completed six phases of the Limited Insolvency Examination. Seventh phase is going on since March 1, 2022. The revised syllabus and other details for the eighth phase of the Limited Insolvency Examination were notified on March 31, 2023. 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 Table 30.

Table 30: 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 – Sep, 2022	1103	120
	Oct, 2022 – Dec, 2022	126	14
	Jan, 2023- Mar, 2023	201	26
Total		30966	5481

Valuation Examinations

The IBBI, being the authority under the Valuation Rules 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 third phase of the examinations concluded on June 30, 2022 and the fourth phase commenced from July 1, 2022. It is a computer based online examination available from several locations across India. National Institute of Securities Markets is the current test administrator. The details of the Examinations are given in Table 31.

Table 31: 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 – Jun, 2022	8370	2015	8377	620	139	781
Fourth	Jul, 2022 – Sep, 2022	2487	504	1478	211	38	128
	Oct, 2022 – Dec, 2022	165	27	81	19	3	9
	Jan, 2023- Mar, 2023	205	39	177	21	5	24
Total		24476	5007	19404	2999	604	2305

Building Ecosystem

Committee Meetings

Expert Committee to propose a creditor-led resolution approach under the Code

In terms of clause (1) of sub-section (1) of section 196 of the Code, the IBBI constituted an Expert Committee on February 1, 2023 to examine the scope of use of alternate fast track resolution under the Code and recommend a detailed regulatory approach for proposing a creditor-led resolution as a supplement to the extant CIRP. The Expert Committee is chaired by Mr. Sudhaker Shukla, WTM, IBBI. The other members of the Committee are Mr. Ashwini Kumar Tewari, Managing Director, State Bank of India; Mr. Sunil Mehta, Chief Executive, Indian Banks' Association; Mr. Bahram Vakil, Founding Partner, AZB Partners; Mr. Sumant Batra, Founder Partner, Kesar Dass B. & Associates; Mr. Shrimohan Yadav, Former Chief General Manager, RBI; Mr. Rajan Jain, Deputy Secretary, MCA; and Mr. Sandip Garg, ED, IBBI and Member Secretary. During the quarter, the Committee met twice, i.e., on February 16, 2023 and March 6, 2023, and looked into various aspects of a quicker and more efficient process that included minimal judicial involvement. It deliberated on various available options for the formulation of the process. It also extensively studied and discussed international best practices, existing Indian frameworks, and learnings from the CIRP and pre-packs under the Code.



Meeting of the Expert Committee, February 16, 2023



Meeting of the Expert Committee, March 6, 2023

Expert Committee to propose a detailed framework for use of mediation under the Code

In terms of clause (l) of sub-section (1) of section 196 of the Code, the IBBI constituted an Expert Committee on March 6, 2023 to study and recommend a mediation framework for use in various processes under the Code. The Expert Committee is chaired by Dr. T. K. Viswanathan, Former Secretary General, Lok Sabha Secretariat and Former Law Secretary.

IP Workshops

The IBBI has been organising workshops for registered IPs with the aim to deliver specialised and deep level learning through a classroom, non-residential mode. It organised one Basic Workshop and seven other Workshops during the quarter through online mode. The details of the workshops conducted till March 31, 2023, are given in Table 32.

Table 32: Capacity Building Programmes for IPs till March 31, 2023

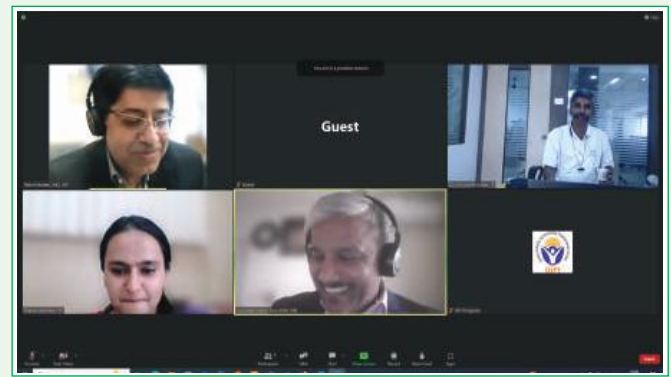
Year / Period	Basic Work-shops	Advanced Work-shops	Other Work-shops	Webinars	Round-tables	Trainings	Total
2016-17	1	-	-	-	8	-	9
2017-18	6	-	-	-	44	-	50
2018-19	7	-	-	-	22	-	29
2019-20	4	6	5	1	22	-	38
2020-21	1	2	6	29	18	2	58
2021-22	7	7	-	21	12	3	50
Apr-Jun, 2022	-	-	-	1	4	-	5
July-Sep, 2022	-	3	-	2	2	-	7
Oct-Dec, 2022	-	-	7	-	-	5	12
Jan-Mar, 2023	1	-	7	3	-	1	12
Total	27	18	25	57	132	11	270

Advocacy and Awareness

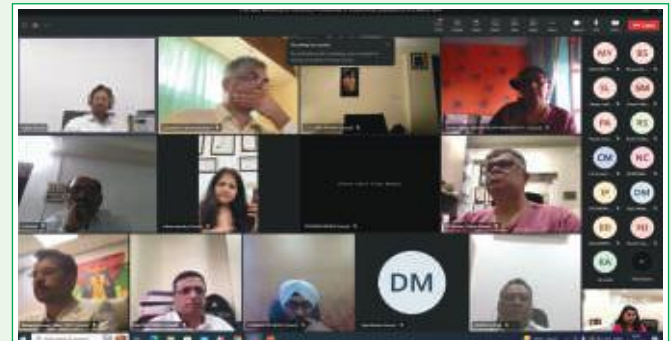
The IBBI in association with various stakeholders, organised several advocacy and awareness programmes during the quarter, as presented in Table 33.

Table 33: Advocacy and Awareness Programmes, January – March 31, 2023

Sl. No.	Date	Particulars	Topic	In Association With
1	06-01-23	Webinar	Registration of Security Interest and Rights under IBC	ICSI IIP
2	07-01-23	Webinar	Moratorium and Ethical Practice of Ips	ICSI IIP
3	25-01-23	Webinar	Role of valuers for economic development of country	AARVF
4	27-01-23	Trainees of the 72 nd Batch of IRS (Customs & Indirect Taxes)	IBC - Related issues and doubts clearing	NACIN, Faridabad
5	03-02-23	Workshop	Valuation Process under IBC - Guidance for IPs	IIIP ICAI
6	03-02-23 to 08-04-23	Certificate Course at GNLU	Insolvency and Bankruptcy Law - Special Reference to Corporate Entities	GNLU
7	10-02-23	Workshop	Proposed amendments in IBC	IIIP ICAI
8	11-02-23	Residential Refresher Course (RRC) by Resolve Insolvency Professional Association (RIPA)	Insolvency and Bankruptcy Code, 2016	RIPA at Thane, Maharashtra
9	12-02-23	Online certificate course with NLU Delhi	Group and Cross border Insolvency	NLU Delhi
10	17-02-23	Workshop	Disciplinary Aspects under IBC	IPA ICAI
11	17-02-23	Workshop	Guidance on Individual Insolvency-Best practices	IIIP ICAI
12	20-02-23	Workshop-cum-Training Programme on IBC	Insolvency and Bankruptcy Code, 2016	Subharti University, Meerut
13	25-02-23 to 27-02-23	Certificate course in association with NLU Jodhpur	Evolving Paradigms of Insolvency and Bankruptcy Code, 2016	NLU Jodhpur
14	17-03-23	Workshop	Common Issues under Monitoring/ Inspection & Peer review	IIIP ICAI
15	21-03-23	27 th Basic Workshop for Ips	Insolvency and Bankruptcy Code, 2016	IBBI
16	24-03-23	Workshop	Allied Legislations around IBC- Knowhow For IPs	IIIP ICAI



Workshop on 'Individual Insolvency – Best practices', February 17, 2023



27th Basic Workshop for IPs, March 21, 2023

Senior officers of IBBI participated as guests and faculty in several programmes during the quarter, the details of which are presented in Table 34.

Table 34: Participation of Senior Officers in Programmes

Sl. No.	Date	Organiser	Subject	Participation
1	03-03-23	ASSOCHAM	7 th National Summit on IBC & Valuation	Mr. Santosh Shukla, ED
2	23-03-23	IIIP ICAI	Virtual conference on Avoidance Transactions – Improving Outcomes	Mr. Sudhaker Shukla, WTM



7th National Summit on IBC & Valuation, March 3, 2023



Virtual conference on Avoidance Transactions, March 23, 2023

List of Abbreviations

AA	Adjudicating Authority
AA Rules	The Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016
AARVF	Assessors and Registered Valuers Foundation
AFA	Authorisation for Assignment
AI	Artificial Intelligence
ARC	Asset Reconstruction Company
Benami Act	The Prohibition of Benami Property Transactions Act, 1988
BIFR	Board for Industrial and Financial Reconstruction
CBIRC	Cross-Border Insolvency Rules/Regulation Committee
CD	Corporate Debtor
CEO	Chief Executive Officer
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
DJF	Divya Jyoti Foundation
DRT	Debt Recovery Tribunal
ED	Executive Director
EoI	Expression of Interest
FC/FCs	Financial Creditor / Creditors
FCDO UK	Foreign, Commonwealth & Development Office, UK
FISP/FISPs	Financial Service Provider/ Financial Service Providers
GIP	Graduate Insolvency Programme
GNIDA	Greater Noida Industrial Development Authority
GNLU	Gujarat National Law University
HC	High Court
IA/IAs	Interlocutory Application/ Interlocutory Applications
IBBI / Board	Insolvency and Bankruptcy Board of India
IBC / Code	Insolvency and Bankruptcy Code, 2016
IBVA	International Business Valuers Association
ICAI	Institute of Chartered Accountants of India
ICAI RVO	ICAI Registered Valuers Organisation
ICD	Insolvency Commencement Date
ICMAI	Institute of Cost and Management Accountants of India
ICMAI RVO	ICMAI Registered Valuers Organisation
ICSI	Institute of Company Secretaries of India
ICSI IIP	ICSI Institute of Insolvency Professionals
IIP ICAI	Indian Institute of Insolvency Professionals of ICAI
IIMB	Indian Institute of Management, Bangalore
ILA	Insolvency Law Academy

IOV RVF	IOV Registered Valuers Foundation
IP/IPs	Insolvency Professional/ Professionals
IPA/IPAs	Insolvency Professional Agency/ Agencies
IPA ICAI	Insolvency Professional Agency of Institute of Cost Accountants of India
IPE/IPEs	Insolvency Professional Entity/Entities
IRP/IRPs	Interim Resolution Professional/Professionals
IT	Information Technology
IU/IUs	Information Utility/Utilities
JIL	Jaypee Infratech Ltd.
LCD	Liquidation Commencement Date
MCA	Ministry of Corporate Affairs
MD	Managing Director
MLEGI	UNCITRAL Model Law on Enterprise Group Insolvency
MSME	Micro, Small and Medium Enterprise
NACIN	National Academy of Customs, Indirect Taxes & Narcotics
NCLAT	National Company Law Appellate Tribunal
NCLT	National Company Law Tribunal
NeSL	National e- Governance Services Limited
NI Act	The Negotiable Instruments Act, 1881
NIT	Notice Inviting Tender
OC/OCs	Operational Creditor/ Creditors
PDA	Platform for Distressed Assets
PG/PGs	Personal Guarantor/Guarantors
PIL	Public Interest Litigation
PIRP	Personal Insolvency Resolution Process
PMO	Prime Minister's Office
PPIRP	Pre-Packaged Insolvency Resolution Process
RBI	Reserve Bank of India
RIPA	Resolve Insolvency Professional Association
RoD	Record of Default
RP	Resolution Professional
RV/RVs	Registered Valuer/Registered Valuers
RVE/RVEs	Registered Valuer Entity/Registered Valuer Entities
RVO/RVOs	Registered Valuer Organisation/Registered Valuer Organisations
SC	Supreme Court of India
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985
SIDBI	Small Industries Development Bank of India
SRA	Successful Resolution Applicant
UNCITRAL	United Nations Commission on International Trade Law
Valuation Rules	The Companies (Registered Valuers and Valuation) Rules, 2017
WTM	Whole-time Member



भारतीय दिवाला और शोधन आयोग बोर्ड
Insolvency and Bankruptcy Board of India



2nd International Research Conference on Insolvency and Bankruptcy

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