



2nd Conference on

# Insolvency and Bankruptcy Code, 2016

## Implications for the Infrastructure Sector

November 27, 2017, Le Meridien, New Delhi

Organisers:

**POWERLINE**

**Indian  
Infrastructure**

**RenewableWatch**

# INSOLVENCY AND BANKRUPTCY CODE, 2016

## Mission

- Corporate insolvency has been a vexed issue in India, as the legal mechanism to deal with it has been fragmented under multiple laws.
- India ranks 136 in the World Bank's ranking for resolving insolvency. It takes over four years to resolve insolvency issues and the recovery rate is very low.
- A serious consequence of this has been a large amount of bad/restructured loans (worth about Rs 8 trillion) on bank books, over 40 per cent of which pertains to infrastructure and construction related sectors. Several schemes have been launched to address this issue - CDR, 5/25, SDR and S4A - all of which have met with limited success.
- The newly introduced Insolvency and Bankruptcy Code (IBC), 2016 seeks to address this issue by bringing in a consolidated legal framework for resolving defaults by infrastructure companies and partnership firms in a time-bound manner. The code, in force since December 2016, supersedes all extant insolvency laws.
- The criteria for cases to be referred under IBC 2016 are that the lenders' exposure must be at least Rs 50 billion, and that more than 60 per cent of this has been declared as an NPA (as of March 2016) by the lender.
- Both the debtor and the creditor are permitted to trigger the insolvency procedure under the code. As of August 2017, 247 cases have been admitted to the NCLT for resolution.
- The enactment of IBC 2016 will shift the debtor-creditor dynamics from "debtor under possession" to "creditor in control". This has been further bolstered by the greater legislative powers given by the government to the Reserve Bank of India (RBI) through an ordinance to amend the Banking Regulation Act, 1949. The ordinance, introduced in May 2017, allows the central bank to issue directions to banks to initiate insolvency resolution procedures under the provisions of IBC 2016.
- Consequently, in June 2017, RBI identified 12 default accounts with Rs 2 trillion worth of bad loans (25 per cent of the total bad loans in the system) to be resolved under this route. Further, in August 2017, a second list of defaulters of at least 28 accounts was sent to banks for resolution.
- While IBC 2016 is expected to play a key role in NPA resolution, much of its success would depend on its implementation, which seems challenging owing to a host of factors. For instance, a number of banks have reservations about IBC 2016, primarily on account of the requirement of accelerated provisioning and their belief that negotiations can best be carried out with the promoters. Some banks are looking at testing the code with small cases before bringing in large cases through this route.
- **The mission of this conference is to examine the impact of IBC, 2016 on resolving insolvency issues in India. The conference will highlight the key features and the various legal nuances of the code. It will also discuss the impact of the code on various infrastructure sectors, the execution challenges and the way forward for the enforcement of the code.**

## Target Audience

The conference is a must-attend for officials/managers from:

- |   |  |   |                                       |
|---|--|---|---------------------------------------|
| ❖ Infrastructure developers (roads, ports, airports, construction, water, metro rail, railways, power, renewable energy, urban infrastructure, oil and gas, townships/SEZs) | ❖ Infrastructure-related government agencies     | ❖ Advocates, CA, CS                           | ❖ Tax and other sector consultants    |
| ❖ Government and policymakers   | ❖ State infrastructure development organisations | ❖ Commercial banks and financial institutions | ❖ Bilateral and multilateral agencies |
| ❖ EPC firms   | ❖ Arbitration institutions                       | ❖ Asset reconstruction companies              | ❖ Academic and research institutions  |
|   | ❖ Legal firms                                    | ❖ Financial advisory firms                    | ❖ Credit rating firms                 |
|   | ❖ Practising Arbitrators                         | ❖ Project executing agencies                  | ❖ Equipment manufacturers             |
|   |  | ❖ Insurance firms                             | ❖ Infrastructure fund managers        |
|   |  |   | ❖ Technology providers, etc.          |

## Delegate Fee

- The delegate fee is Rs 25,000, additional fee for one participant Rs 15,000. A GST of 18 per cent is applicable on the registration fee

## AGENDA/STRUCTURE

### CURRENT SCENARIO - INSOLVENCY AND NPA CASES

- ❖ What is the current state of insolvency cases in India?
- ❖ What has been the trend with respect to bank NPAs?
- ❖ What have been the key issues and challenges?
- ❖ What is the outlook?

### INTRODUCTION TO IBC 2016

- ❖ What are the key features of IBC 2016? What is the process for invoking the IBC 2016 provisions?
- ❖ What is its likely impact on various sectors?
- ❖ What are the key issues and challenges in its implementation?

### EXPERIENCE WITH DEBT RESTRUCTURING SCHEMES

- ❖ What has been the experience with regard to debt restructuring with schemes such as CDR, 5/25, SDR and S4A?
- ❖ What have been the hits and misses?
- ❖ What have been the key challenges in implementing these schemes? How is IBC 2016 a better framework?

### LENDERS' PERSPECTIVE

- ❖ How do the lenders perceive IBC 2016?
- ❖ How is the code expected to impact the debt recovery rate?
- ❖ What are the expected challenges in its execution?

### BORROWERS' PERSPECTIVE: FOCUS ON KEY SECTORS (POWER, STEEL, CEMENT, CONSTRUCTION, ROADS, AVIATION, ETC.)

- ❖ How do the borrowers perceive IBC 2016?
- ❖ What are the challenges in triggering the insolvency process under the IBC?
- ❖ What are the grey areas in the code?

### FOCUS ON REGULATORY ASPECTS

- ❖ What are the key regulatory aspects of the effective implementation of IBC 2016?
- ❖ What are the key issues? What are the possible remedies?
- ❖ What is the wishlist of key regulators?

### LEGAL IMPLICATIONS

- ❖ What are the legal implications of the provisions of IBC 2016?
- ❖ What are the lacunae in the new framework? How can these be addressed?

### Previous participants

The organisations that have participated in our previous conferences are ALMT Legal, ATC Telecom Infrastructure, Axi's Bank, Bankruptcy Law Reforms Committee, Bhandari & Associate, Cairn India, Chandhok & Associates, CIDCO, CRISIL, Deesha Power Solutions, Deloitte India, Dilip Buildcon, Doshlon Water Solutions, DSK Legal, Edelweiss ARC, Ernst & Young LLP, Gammon Infrastructure Projects, Gujarat State Electricity Corporation, Hindustan Contracts Co, HSA Advocates, IDECK, IDFC Bank, IFCI, IL&FS Transportation Networks, Indian Institution of Technical Arbitrators, JMC Projects, KPMG, IDPL, Larsen & Toubro, Law Senate, Link Legal, Luthra & Luthra, Macawber Beekay, MasIn Projects Private, Morgan Stanley, National Highway Authority of India, National Insurance Company, NHPC, Orbit Law, Paramount, PNC Infratech, Power Grid Corporation of India, Pranav Construction Systems, PricewaterhouseCoopers, Rail Vikas Nigam, RMG Alloy Steel, State Bank of India, SBI Capital Markets, Shardul Amarchand Mangaldas & Co, Shriram EPC, Simplex Infrastructure, Societe Generale, Tata Capital Financial Services, Tata Cleantech Capital, TRIL Roads, Vesuvius, Vistar Metal Industries, Voltamp Transformers, Wadla Ghandy & Co, Welspun Enterprise, etc.

### Organisers

The conference is being organised by **India Infrastructure Publishing**, the leading provider of information on the infrastructure sectors. The company publishes **Indian Infrastructure** (a magazine on infrastructure policy and finance), **Power Line** (India's premier power magazine), **tele.net** (a magazine targeted primarily at telecom service providers and large enterprise customers) and **Renewable Watch** (covers the entire spectrum of renewable energy). It also publishes a series of research reports and weekly newsletters in the areas of power, oil and gas, ports and shipping, roads and bridges, airports, urban infrastructure, telecom and railways.

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### Registration Form

I would like to register for the conference. I am enclosing Rs \_\_\_\_\_ vide cheque/demand draft no. \_\_\_\_\_ drawn on \_\_\_\_\_ dated \_\_\_\_\_ Company GST No. \_\_\_\_\_ in favour of **India Infrastructure Publishing Pvt. Ltd.** payable at New Delhi.

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### Registration Fee

Delegates	Fee			
	INR	Service tax @ 18%	Total INR	Total USD
One delegate	25,000	4,500	29,500	454
Two delegates	40,000	7,200	47,200	726
Three delegates	55,000	9,900	64,900	1,000
Four delegates	70,000	12,600	82,600	1,270

- Delegate fee is inclusive of 18 per cent GST.

**Payment Policy:**

- Full payment must be received prior to the conference.
- Conference fees cannot be substituted for any other product or service being extended by India Infrastructure Publishing Pvt. Ltd.
- Conference fee includes lunch, tea/coffee and conference material.

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