



WELCOME TO ALL

PRESENTATION OF EXPERIENCE
AND ISSUES FACED AS
INSOLVENCY RESOLUTION
PROFESSIONAL

- BY MR. DEVENDRA JAIN

INTORUDCTION OF MYSELF

- I AM A PRACTICITNG CHARTERED ACCOUNTANT
- SINCE LAST ABOUT A DECADE, I DEAL THE AREAS OF STATUTORY AUDITS, INTERNAL AUDITS, TAXATION, MANAGEMENT CONSULTANCY, WHICH IS THE ENDEAVOR OF CONTINUOUSLY IDENTIFYING AND DEVELOPING NEW AREAS FOR RENDERING SERVICES. IT STRONGLY BELIEVES IN OFFERING



TOTAL SOLUTION TO OUR CLIENTS IN MANAGING
MANAGEMENT /SOURCING STRATEGIC INVESTOR ETC.

THE FINANCIAL AND ACCOUNTING STRATEGIC DECISIONS
OF THEIR BUSINESSES.

I HAVE BEEN ASSOICATED IN RESLUTION OF NPA's –
EITHER THORUHG RESOLUTION /SETTLEMENT /SALE OF
ASSETS /SALE OF THE COMPANY/ CHANGE IN THE

INTORUDCTION OF MYSELF....

- IN THE PROCESS, I COULD STUDY IN DEPTH ABOUT THE ISSUES FACED BY THE CORPOARATED AS WELL AS BANKS/ FIS ETC.
- THIS LED ME TO BECOME AN INSOLVENCY RESOLUTION PROFESSIONAL.
- I AM GLAD TO SHARE WITH YOU DURING THE PROCESS FOR CORPORATE INSOVENCY PROCESS UNDER IBC, 2016.

CASES WHERE I HAVE BEEN APPOINTED AS A IRP/RP

SR. NO	NAME OF THE CORPORATE	DEBT SIZE (Rs.in Crores)
1	VNR INFRASTRUCTURES LTD., HYDERABAD	1000.00
2	ROYAL TWINLE STAR CLUB TD., MUMBAI	800.00 (APPROX. PUBLIC CLAIM STILL COMING)
3	CITRUS CHECK INNS LTD., MUMBAI	1200.00 (APPROX.PUBLIC CLAIMS STILL COMING)
4	SHIRDI INDUSTRIES LTD., MUMBAI	400.00
5	NEW TECH FITTING P LTD., AHMEDABAD	50.00

PROCESS INVOLVED SO FAR

- DISCUSS ABOUT THE CASE OF M/S VNR INFRASTRUCTURES LTD., HYDERABAD – AS THE SAME IS EARLIEST CASE BEING HANDLED BY ME.
- THE PROCESS SO FAR IN THE SAID CASE HAS BEEN AS UNDER:

DATE WISE DEVELOPMENT IN THE CASE OF – M/S VNR INFRASTRUCTURES LTD.,

DATE	ACTION	REMARKS
10.02.2017	PETITION OF THE CORPORATE DEBTOR (COMPANY) ADMITTED BY NCLT, HYDERABAD	APPOINTED ME AS IRP BY NCLT FORUM, HYD
13.02.2017	PUBLIC ANNOUNCEMENT, CALL FOR TO SUBMIT CLAIMS AND INTIMATION TO ALL FINANCIALS AND OPERATIONAL CREDITORS	AFTER APPOINTMENT WITH IN THREE DAYS ISSUED PUBLIC NOTICE
14.02.2017	MEETING HELD BY ME WITH THE MANAGEMENT (AFTER SUSPENDED BOARD) OF THE CORPORATE DEBTOR	FOR UNDERSTANDING AND TAKING OVER CHARGE

DATE WISE– M/S VNRIL.....(2)

DATE	ACTION	REMARKS
17.02.2017	CALL INFORMATION MEMORANDUM (IM) & COLLECTED FROM CORPORATE DEBTOR	CHARGE HANDED OVER FROM THE COMPANY
22.02.2017	APPOINTED COO BY ME IN THE COMPANY. MAJOR SITES OF THE COMPANY VISITED	ALL THE CREDITORS WERE INFORMED ABOUT THE APPOINTMENT
24.02.2017	CLAIMS RECEIVED FROM CREDITORS. LIST PREPARED & FINALIZED	FOR CONSTITUTE THE CREDITOR'S COMMITTEE

DATE WISE M/S VNRIL.....(3).

DATE	ACTION	REMARKS
08.03.2017	<ol style="list-style-type: none">1. CONSTITUTED CREDITOR'S COMMITTEE2. NOTICE ISSUED FOR 1ST MEETING OF THE COMMITTEE OF CREDITORS3. OPENED SEPARATE CURRENT ACCOUNT OF THE COMPANY FOR OPERATIONS	7 DAYS PRIOR NOTICE TO CREDITORS ...THERE ARE 8 BANKS /FIS ETC.. AS FINANCIAL CREDITORS
15.03.2017	1 ST MEETING OF THE CREDITOR'S COMMITTEE HELD	MY APPOINTMENT AS IRP CONFIRMED BY THE COMMITTEE AS RP, APPOINTMENT OF VALUERS

DATE WISE M/S VNRIL.....(4)

DATE	ACTION	REMARKS
16.03.2017	MINUTES OF 1 ST MEETING OF CREDITOR'S COMMITTEE, CONFIRMATION OF IRP BY THE FINANCIAL CREDITORS SUBMITTED TO NCLT, HYDERABAD, ALONGWITH INFORMATION MEMORANDUM (IM)	TOBE FILED UP DATED STATUS AFTER APPOINTMENT OF IRP BEFORE NCLT FORUM
12.04.2017	NOTICE ISSUED FOR 2 ND MEETING OF CREDITOR'S COMMITTEE	TO SUBMIT AND DISCUSS RESOLUTION PLAN AND OTHER MATTERS
27.04.2017	2 ND MEETING HELD, WHEREIN RESOLUTION PLAN SUBMITTED BY THE COPORATE DEBTOR	MAJOR POINTS DISCUSSED & SUBMISSION OF VARIOUS INFORMATION.

DATE WISEM/S VNRIL.....(5)

DATE	ACTION	REMARKS
26.05.2017	3 RD MEETING HELD: TO DISCUSS THE MATTER RELATED RESOLUTION PLAN AND FORENSIC AUDIT CONDUCTED BY THE PNB AND OTHER MATTERS.	REQUEST TO RP FOR CONCLUDE THE FORENSIC AUDIT REPORT & REQUEST TO MANAGEMENT FOR UPFRONT PAYMENT FOR FURTHER CONSIDERING OF RESOLUTION PLAN.

ISSUES FACED DURING THE PROCESS.....

- NOW LET ME DESCRIBE THE MAJOR ISSUES FACED WHILE ACTING AS IRP IN THE CASES, HANDLED BY ME SO FAR.
 - CREDITORS ARE NOT RESPONDING ON FEW OCCASSIONS— EITHER THEY ARE NOT CO OPERATING OR NOT ACCEPTING THE COMMUNICATION ETC..
 - THERE ARE INQUIREIS GOING ON BY VARIOUS AUTHORITIES –LIKE –SEBI /CBI ETC..

ISSUES FACED DURING THE PROCESS.....

- HOW TO DEAL WITH SUCH AUTHORITIES AND WHAT ACTIONS TO BE TAKEN.
- HOW TO AVOID THE EFFECT OF SUCH INQUIRIES. IN ABSENCE OF SPECIFIC GUIDELINES IT BECOMES DIFFICULT TO MANAGE SUCH SITUATION /REPLY TO SUCH AUTHORITY.



ISSUES FACED DURING THE PROCES....(3)

- FINANCIAL CREDITORS WANTS TO CONTINUE WITH RECECOVERY PROCEEDINGS UNDER THE EXISTING LAWS LIKE –DRT, SARFAESI ACT, 2002.
- GUIDANCE FOR SUCH MATTERS ARE NOT PRESCRIBED CLEARLY IN THE IBC, 2016. AS SUCH CLARITY IN THIS REGARD IS ALSO EXPECTED.

ISSUES FACED DURING THE PROCESS...(4)

- FINANCIAL CREDITORS WANTS TO CONTINUE WITH RECECOVERY PROCEEDINGS UNDER THE OTHER EXISTING LAWS LIKE –DRT, SARFAESI ACT, 2002.
- GUIDANCE FOR SUCH MATTERS ARE NOT PRESCRIBED CLEARLY IN THE IBC, 2016. AS SUCH CLARITY IN THIS REGARD IS ALSO EXPECTED.

ISSUES FACED DURING THE PROCESS.....

- FURTHER FEW OF THE FINANCIAL CREDITORS ARE WANTS TO CONDUCT FORENSIC AUDIT.
- I BAG YOUR SUGGESTIONS AS TO WHAT EXTNET SUCH MEASURES TO BE ALLOWED. SO THAT PROCEEDINGS UNDER THE IBC, 2016 IS NOT HAMPERED?

ISSUES FACED DURING THE PROCESS...(6)

- IN ONE OF THE CASES, VIZ., ROYAL TWINLE STAR CLUB LTD., CITRUS CHECK INNS LTD.,
- I FOUND THAT THERE NO FINANCIAL CREDITORS, ONLY HAVING LARGE NUMBER OF OPERATIONAL CREDITORS (i.e.more than 5 lacs), HAVING WITH SMALL SHARES IN TERMS OF AMOUNT DUE.
- IF WE GO BY GUIDELINES OF IBC, 2016, MAJOR 18 CREDOTRS ARE TO BE INCLUDED IN THE COMMITTEE. THEN WHAT ABOUT THE OTHERS?

ISSUES FACED DURING THE PROCESS....(7)

- HOWEVER, SINCE SUCH MAJOR CONSTITUENT COMMITTEE FOR ONLY NEGLIGIBLE SHARE OF TOTAL CREDITORS IN TERMS OF DUE AMOUNT.
- AS SUCH THE TOP 18 WILL NOT BE REALLY REPRESENTATING THE ENTIRE GROUP OF OPERATIONAL CREDITORS.
- GUIDANCE IS SOUGHT FOR SUCH SITUATION

CONCLUSION

- FROM MY EXPERIENCE SO FAR HANDLING IN 5 CASES AS A RP.,
- I CAN CATAGORICALLY SAY THAT IBC PROCESS RP IS GOING TO BE EFFECTIVE AND HE CREATES A PLACE OF ITS OWN TOWARDS THE RESOLUTION PROCESS – PARTICULARLY FOR FINANCIAL CREDIOTRS. HOWEVER, PROVIDING SOLUTIONS TO BE PRACTICAL, ISSUES FACED WILL GIVE MORE STRENGTH.

CONCLUSION....(1)

- WE NEED FOR ABOVE SUCH CLARIFICATION /GUIDANCE IS MORE NECESSARY IN VIEW OF THE TIME FRAME FIXED UP UNDER THE IBC, 2016.
- HOW TO IMPLEMENT/DISPOSE THE RESOLUTION PLAN WITHIN THE GIVEN TIME LINE.
- I TAKE UP THIS OPPORTUNITY AND THANK FULL TO ALL.



THANK YOU