Insolvency and Bankruptcy Code: A long journey and the road ahead

Message from PwC

It gives me immense pleasure to introduce this report focusing on the remarkable journey of the Insolvency and Bankruptcy Code (the Code). Since its inception, the Code has been a powerful force, reshaping the landscape of insolvency and bankruptcy proceedings in India.

This report covers the evolution of the Code, its profound impact on the financial ecosystem and the transformative changes it has ushered in. The introduction of the Code was a pivotal moment that marked a paradigm shift from conventional practices towards a more efficient, transparent and creditor-led insolvency regime.

Over the years, the Code has undergone significant refinements and amendments, with landmark judgments that have clarified its provisions and enriched our understanding of its complexities. We delve into these tweaks and amendments, unravelling their implications and the insights they offer into the evolving insolvency landscape.

In the context of enhancing the efficacy of the insolvency resolution process, we explore emerging concepts such as pre-pack insolvency and the establishment of bad banks. These innovations address the need for swifter resolutions and robust asset management, bolstering the foundations of the financial sector.

The global economy is more interconnected than ever before, prompting discussions around cross-border insolvency and group insolvency. We dissect the challenges and opportunities presented by these scenarios, shedding light on the intricate web of legalities that govern international insolvency proceedings.

A digital era demands digital solutions, and the Code has embraced this transformation. Our exploration includes the digitalisation of the insolvency landscape, where artificial intelligence plays an increasingly significant role in streamlining processes, analysing data and predicting outcomes. Use of technology will reduce information asymmetry, leading to increased participation and faster decision making.

Integral to the success of the Code is the role of the CoC. We briefly touch upon the CoC's Code of Conduct and its pivotal role in decision making while also acknowledging its challenges and responsibilities. As we reflect on the outcomes of the Code, we lean on the insights provided by the Working Committee Report of 2021, examining the framework for assessing the impact of the Code and the recommended improvements for its continuous enhancement. The journey of resolution applicants is marked by challenges that demand innovative solutions. We delve into these challenges and discuss potential resolutions for a deeper understanding of the ecosystem's dynamics.

Throughout this report, we have integrated graphs and extracts from IBBI newsletters, lending visual context to the trends and progress within the insolvency landscape. We also explore how the Code has contributed to improving ease of doing business in India, fostering an environment of confidence for investors and entrepreneurs, and bringing greater credit discipline.

Furthermore, we examine the vital aspect of disclosure of valuation estimates to resolution applicants, underlining the transparency that underpins the Code's functioning. judicial precedents serve as guiding lights in the realm of law. We analyse select cases that have shaped the interpretation and implementation of the Code, providing a holistic view of the legal landscape.

Encapsulating the Code's journey from its inception to its present state of dynamic evolution, this report highlights the challenges and opportunities on the road ahead.

Rohit Govil

Partner, Deals
PwC India

Foreword

The Insolvency and Bankruptcy Code (IBC; hereafter, the Code), 2016, has endeavoured to provide for insolvency resolutions in a time- bound manner with the objective of maximising the value of the assets of stressed entities and ensure that the management and operation of the corporate entity is an ongoing concern. Since its implementation in 2016, the Code has undergone substantial changes to adapt to the ever-evolving market conditions and stakeholder expectations.

Over the years, many countries around the world have shifted from traditional insolvency resolution processes to an agile market developed tool, which includes the ‘pre-pack resolution mechanism’. Pre-pack is ideally a twofold process in which, first, a restructuring is negotiated and agreed upon with different stakeholders, after which the agreement is executed through a formal insolvency process.

While acquiring a corporate debtor through the insolvency regime has an extensive list of advantages, including the ability to carry forward losses, the acquisition as a clean slate principle, discounted prices, etc., a resolution applicant, being one of the key stakeholders of any corporate insolvency resolution process, must burn the midnight oil to achieve that goal.

Keeping this imperative in mind, ASSOCHAM is organising its 8th National Summit on Insolvency & Bankruptcy Code and Valuation Market under the theme ‘Developing a framework for assessing the outcomes of insolvency regimes’.

Against this background, ASSOCHAM and PwC have jointly prepared a comprehensive knowledge paper. We hope this report, along with the discussions during the summit, will help regulators, market participants, Government departments and research scholars in the further development of financial services.

I thank our knowledge partner for their valuable contribution and convey my best wishes for the success of the summit.

Deepak Sood

Secretary General,
ASSOCHAM

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Rise and journey of the Code

1. Introduction to the Code

India's economic and legal landscape is constantly changing, and the promulgation of the IBC, 2016, marked a turning point in India's history. Described as a game changer, the Code redefined the definition of insolvency and bankruptcy in the country. The aim of the Code is to promote a dynamic and effective insolvency resolution process, with an emphasis on revival rather than liquidation in the treatment of distressed companies and financial entities. This landmark legislation not only facilitates and accelerates the resolution process, but also brings in discipline, accountability and investor confidence into the Indian market.

Prior to the introduction of the Code, India's legal framework for insolvency and restructuring was fragmented across many laws, and hence needed to be harmonised. Not only was the process time-consuming, but it also often led to negative outcomes, with businesses going into liquidation rather than rescue. The Indian government recognised the need for a robust system that balances the interests of creditors, debtors and investors, and began the process of drafting and implementing the Code.

The Code prescribes a strict hierarchy to distribute proceeds. Secured creditors are prioritised over non-secured creditors and in a significant departure from the erstwhile provisions, statutory dues have been placed below financial creditors. This ensures the fair distribution of proceeds and maximises recovery by financial creditors. The Code's shift from a creditor-centric to a debtor-centric approach has not only boosted investor confidence but also encouraged foreign capital inflows into distressed assets to drive economic growth.

The legislator alongside the judiciary has through amendments incorporated substantial changes to the Code which aim to enhance the effectiveness and fairness of insolvency resolution processes. The Code has been amended from time to time to safeguard the interest of various stakeholders. The Ministry of Corporate Affairs (MCA) and IBBI, frequently disseminate suggestion papers and documents to solicit feedback from the public regarding proposed amendments to ensure the robustness and effectiveness of the Code with changing times.

Game changer

Brings discipline, accountability and investor confidence into the Indian market

Prior to the Code, the insolvency system was disjointed, with patchwork laws and ineffective enforcement

Creditor in control

Increased foreign investor interest in distressed assets

The Economic Survey 2022–2023 notes that in FY 2022, the total amount recovered by SCBs under the Code has been the highest compared to that under other channels such as Lok Adalats, SARFAESI Act and DRTs in this period.

Source: IBBI, Quarterly Newsletter for April–June 2023

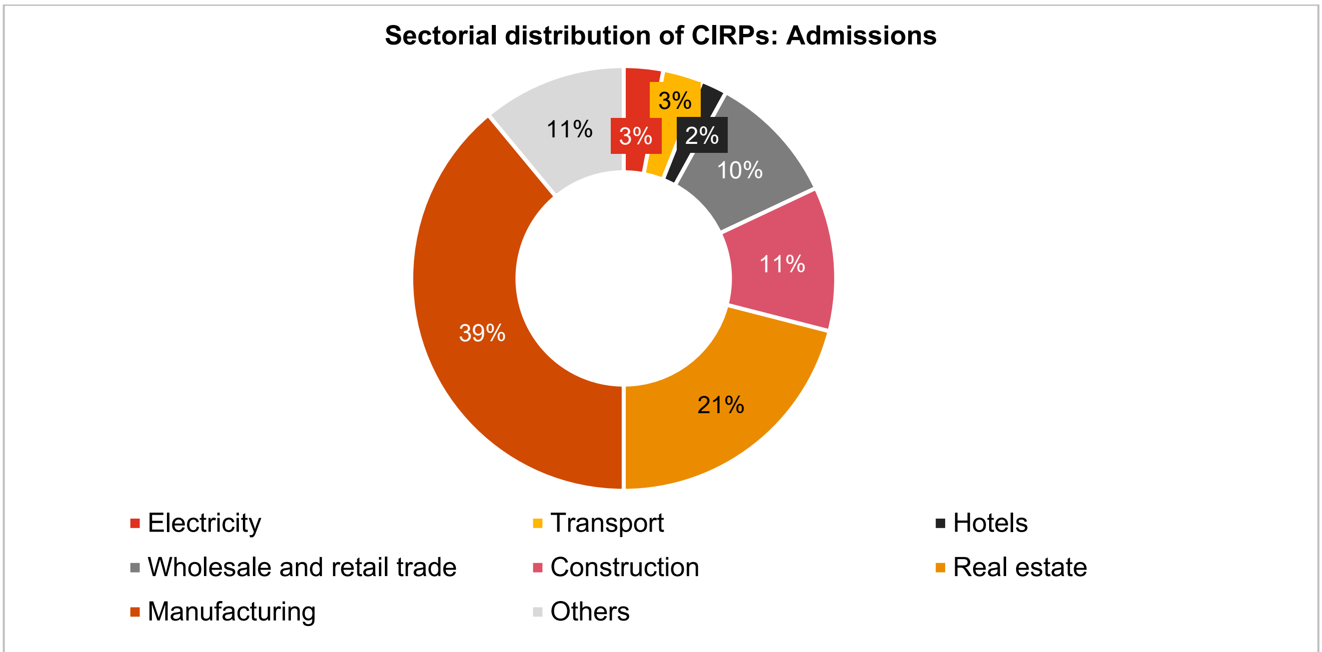
(amount in INR crore)

Recovery channel	Amount of recovery during the year*				
	2017–18	2018–19	2019–20	2020–21	2021–22 (provisional)
Lok Adalats	1,811	2,750	4,211	1,119	2,777
DRTs	7,325	10,552	9,986	8,113	12,114
SARFAESI Act	26,380	38,905	34,283	27,686	27,349
IBC	4,926	66,440	104,117	27,311	47,421
Total	**40,352**	**118,647**	**152,597**	**64,229**	**89,661**

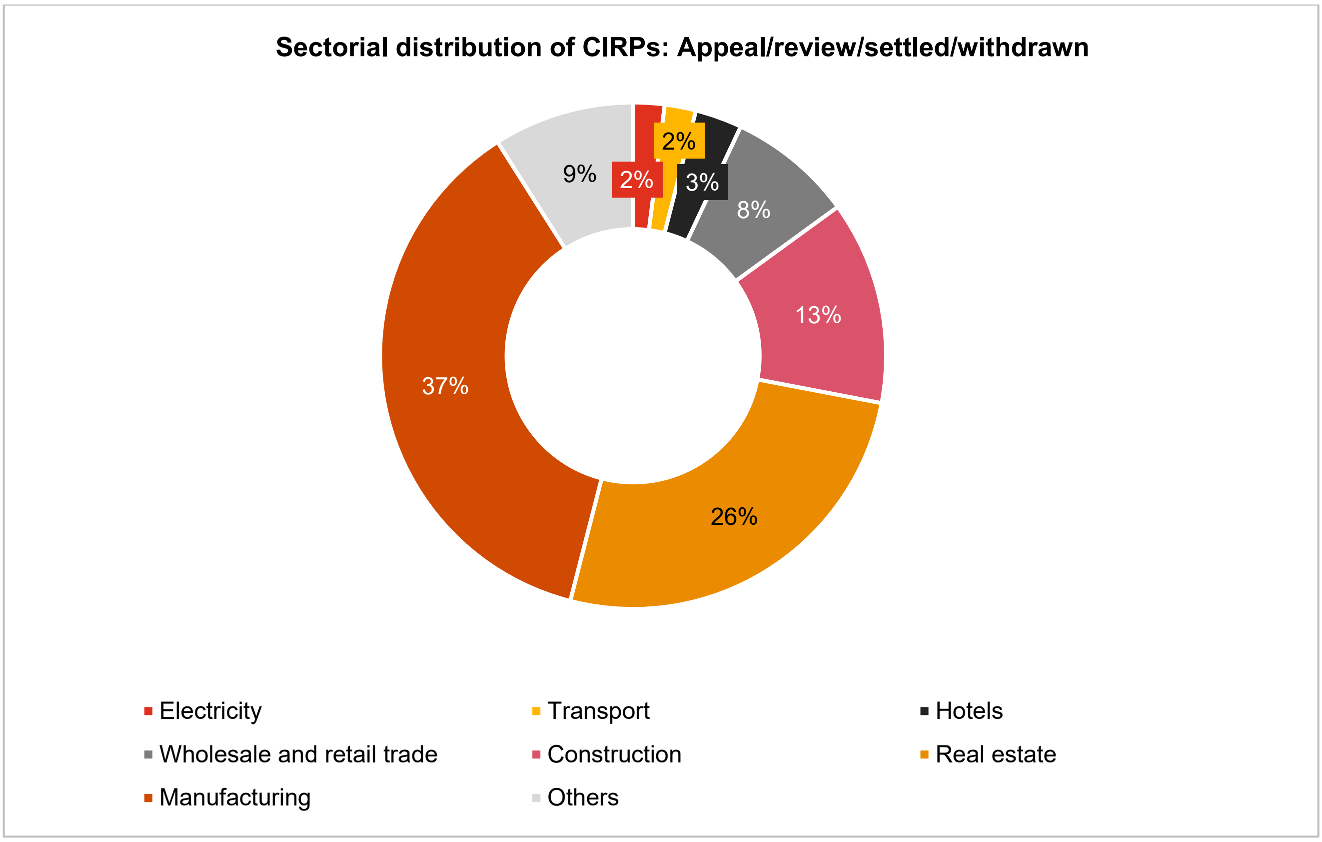
Source: Press Information Bureau, RBI and IBBI

*Refers to the amount recovered during the given year, which could be with reference to the cases referred during the given year as well as in previous years.

Sectoral distribution of CIRP



Source: IBBI Quarterly Newsletter for April–June 2023



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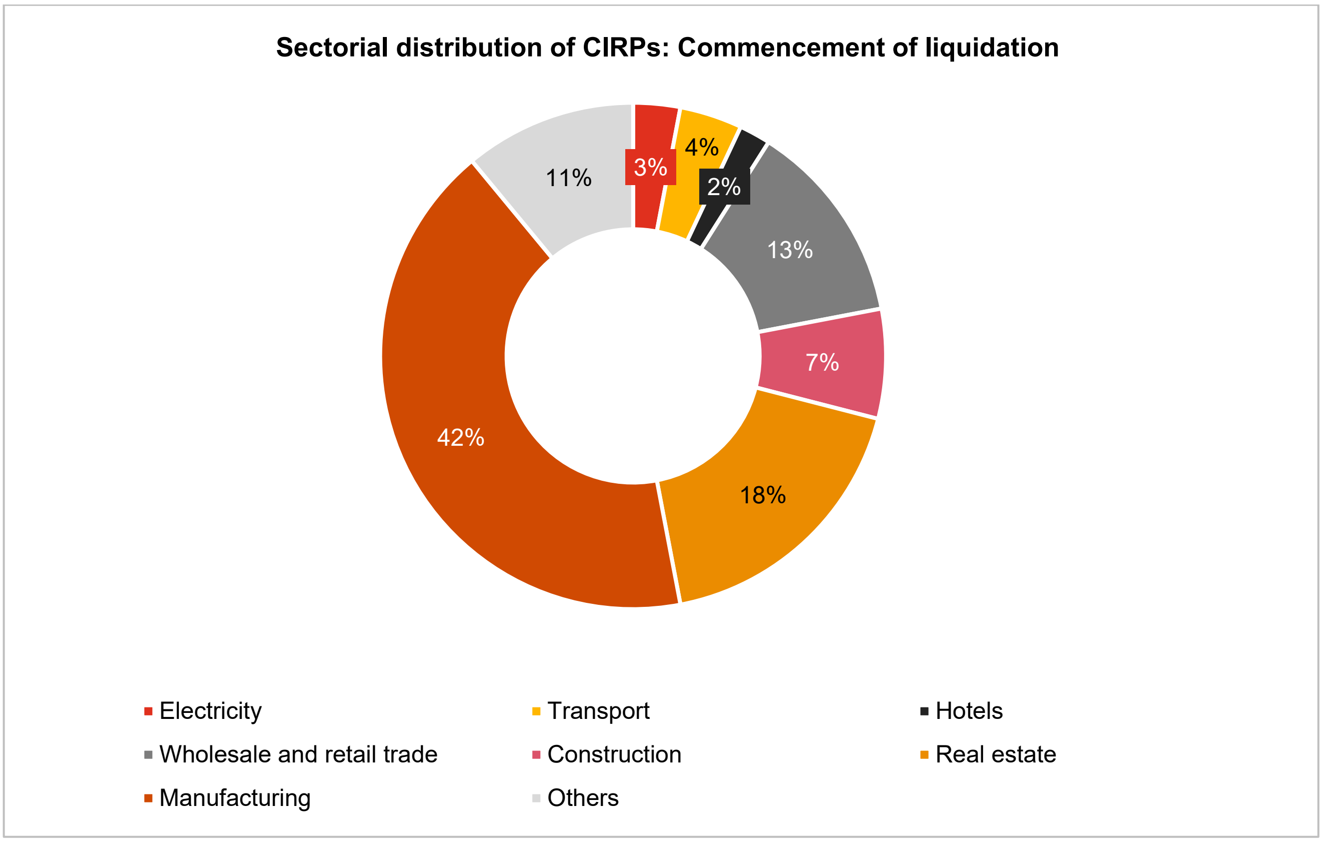

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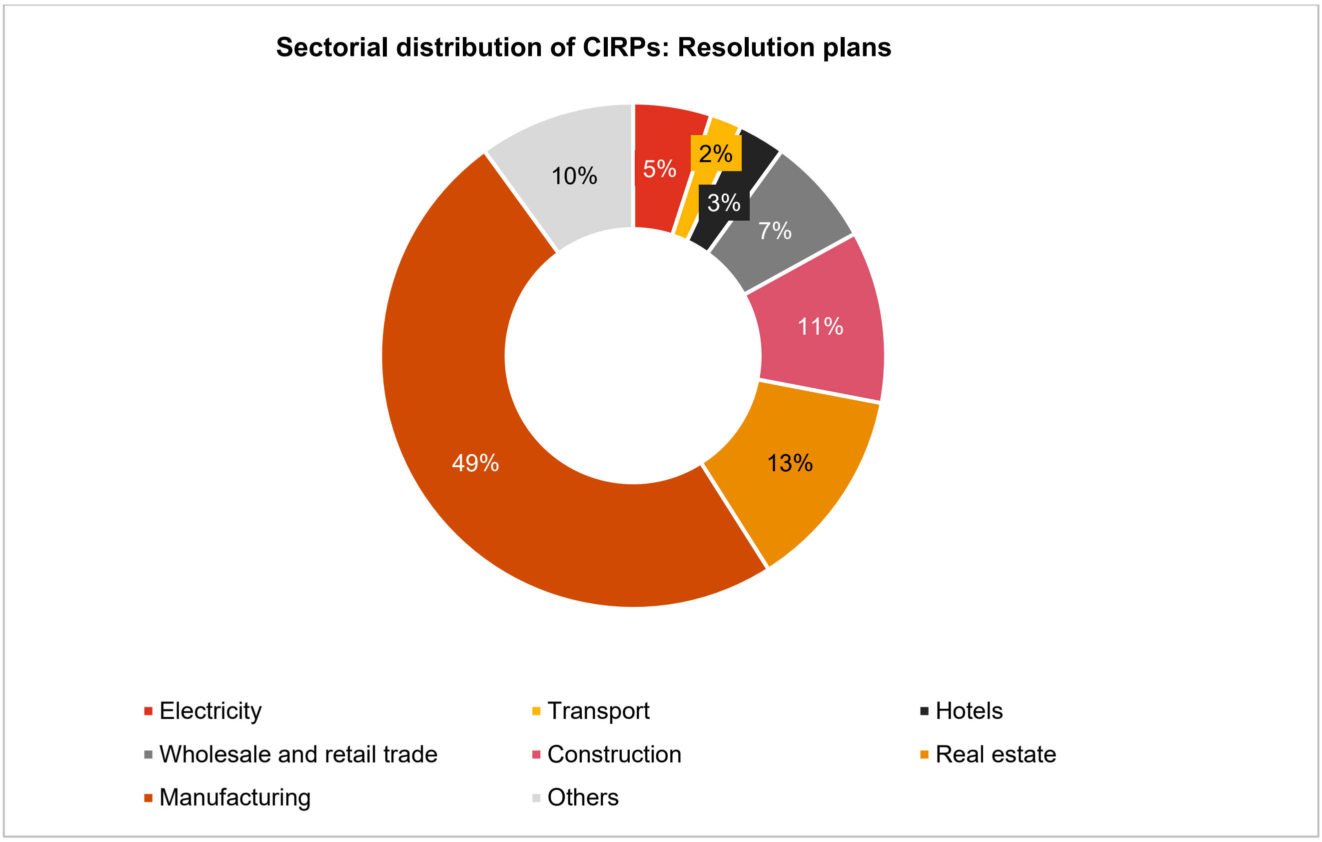


Source: IBBI Quarterly Newsletter for April–June 2023

Takeaways

- Manufacturing, real estate and construction continue to bear the burden of insolvency procedures, as is clear from data published by the IBBI. Up until June 2023, these three industries accounted for 71% of the CIRPs that were admitted. Further, 73% of the companies that were able to stitch together revival plans under the Code were from the manufacturing, real estate and construction sectors, as were 67% of the companies that were ordered to be liquidated.
- Since these industries are the most complicated and sensitive, all the key Code regime players are focusing on putting together pertinent enabling laws and tailored resolutions to assist them. According to some observers, the real estate industry requires a 'unique resolution process' due to its special characteristics, where homeowners are also considered financial creditors under the IBC.

2. Pre-pack insolvency

MSMEs constitute the foundational pillars of India's economy, contributing significantly to employment generation. Their vitality is essential for ensuring sustained growth. To address the challenges brought on by the Covid-19 pandemic, a pre-packaged insolvency resolution mechanism was implemented in April 2021, specifically tailored for these enterprises. The rationale behind this approach is the recognition that resolving financial distress among MSMEs necessitates a distinct approach due to the specific characteristics of their business operations.

In contrast to formal corporate insolvency proceedings, the pre-packaged insolvency process enables an informal agreement between debtors and creditors as a means of addressing debt issues before formal insolvency procedures commence. This informal arrangement involves obtaining approval from a minimum of 66% of creditors before initiating the pre-packaged insolvency resolution process.

Despite the potential advantages, the utilisation of the pre-packaged insolvency process has been limited, with only **six cases** being admitted so far, as per data available on the IBBI portal. The low adoption rate has been attributed to financial institutions' hesitancy to initiate pre-packaged insolvency proceedings due to the voluntary nature of debt reduction in this context.

A manufacturer specialising in aluminium products has become the first Indian company to get a debt resolution from banks under the insolvency pre-pack mechanism.Takeaways

Global view on pre-packs

Over the years, many jurisdictions across the globe have shifted from traditional insolvency resolution processes to an agile market-developed tool, which includes the 'pre-pack resolution mechanism'. The pre-pack mechanism is ideally a twofold process in which a restructuring first is negotiated and agreed upon with different stakeholders. The agreement is then executed through a formal insolvency process. In many countries like the UK, a pre-pack has first been developed by market players and later formalised by legislature to avoid any pitfalls and thereby balance the interest of all stakeholders.

A pre-pack allows resolution of business in a shorter span of time. For instance, in the UK, a there were reports of a realtor giant (target) facing widening losses and being dragged down by soaring costs and a drop in consumer sales. This was followed by rumours of company voluntary arrangements and negotiations with landlords, leading to a further controversy. On 10 August 2018, a stock market announcement delivered the news that one of UK's largest sports retailers had brought the target out of administration for GBP 90 million, just hours after it had announced its collapse. The deal was struck through a 'pre-pack administration process. The pre-packs played an instrumental role in helping the management preserve the value of business that was created over a period of 169 years, without making a fuss in the market. On the other hand, pre-packs have also been criticised by many stakeholders as this mechanism lacks transparency and often results in loss for unsecured creditors, whereas secured creditors enjoy a bigger pie of the recovery. In India, within the resolution processes and plans submitted under the CIRP, the essence of a pre-pack can be observed. Industry participants have devised creative methods to effectively employ the pre-packaged insolvency process. This involves a two-step acquisition of the corporate debtor, first acquiring the debt and then formulating a resolution plan. This approach ensures the cleansing of liabilities, and bidders are not compelled to endure extended waiting periods.

However, it is important to note that pre-packs are yet to gain traction in the market, with very few applications being admitted. Stakeholders feel that the process is too technical and has a higher threshold of consent (i.e. 66%), strenuous requirements for declaration that a corporate debtor has not been subject to avoidable transactions. In addition, it is not applicable to non-MSMEs and requires the discretion of the CoC for conversion to CIRP or liquidation.

Therefore, to simplify the process, the MCA, in its recent papers, has suggested a few modifications and relaxations to the procedures.

3. Bad banks

NARCL was established by the Government as a key step towards solving India's long-standing problem with bad loans and non-performing assets. By addressing the problems caused by stressed assets, this creative project seeks to revitalise the Indian banking industry. The creation of NARCL is a significant step towards improving the balance sheets of financial institutions, promoting economic expansion and regaining investor trust.

Why NARCL?

The load of NPAs has plagued India's banking industry for years, preventing credit from flowing and stifling economic expansion. The availability of funding for important industries has often been impacted by these poor loans, which have restricted banks' capacity to provide further loans. The Government established NARCL as a specialised organization to resolve strained assets after recognising the urgent need for a solution to this issue.

NARCL, commonly referred to as the 'bad bank', buys subprime loans from other banks for a predetermined price. With their resources freed up, banks are able to concentrate on their main business by being able to dispose of their stressed assets. NARCL then strives to salvage as much value as possible from these acquired assets.

Key characteristics and advantages of NARCL

Aggregation and swift resolution

NARCL aggregates various identified stressed accounts from banks, which quickens the process of resolving stressed assets. The procedure is centralised, which lessens the load on individual institutions and speeds up the recovery process.

Efficient asset management

NARCL employs professionals with expertise in asset resolution. Their specialised expertise increases the likelihood that distressed assets can be salvaged via strategic management and creative solutions.

Market confidence

The establishment of NARCL demonstrates the Government's resolve to address the NPA situation. By increasing investor and depositor confidence, this action would eventually promote economic growth.

Enhanced credit flow

Banks are more inclined to offer credit to industries that require it when they are not heavily burdened by NPAs, promoting economic and job growth.

Further, on 11 August 2023, the NCLT, Kolkata, granted its approval to the resolution plan submitted by the NARCL for the pair of Srei companies that were previously under the ownership of the Kanoria family. This marks the NARCL's inaugural acquisition since its establishment two years ago with the objective of procuring non-performing loans from Indian financial institutions. Having submitted the most competitive bid among the three contenders, the NARCL will now initiate the process of obtaining consent from the RBI for the acquisition of Srei Equipment Finance and Srei Infrastructure Finance.

Challenges with NARCL

While the NARCL has a lot of potential, it also faces several difficulties. Potential obstacles include the appraisal of distressed assets, legal issues, and ensuring the transparency of the purchase process. Additionally, it's important to strike a balance between encouraging banks to sell assets at fair prices and making sure that the NARCL makes a profit on its investments.

First year of operations

7 July 2021–31 March 2022

Revenue

INR 9.6 crore

Expenses

INR 16.3 crore

Deferred tax

INR (0.8) crore

Profit /loss after tax

INR (5.9) crore

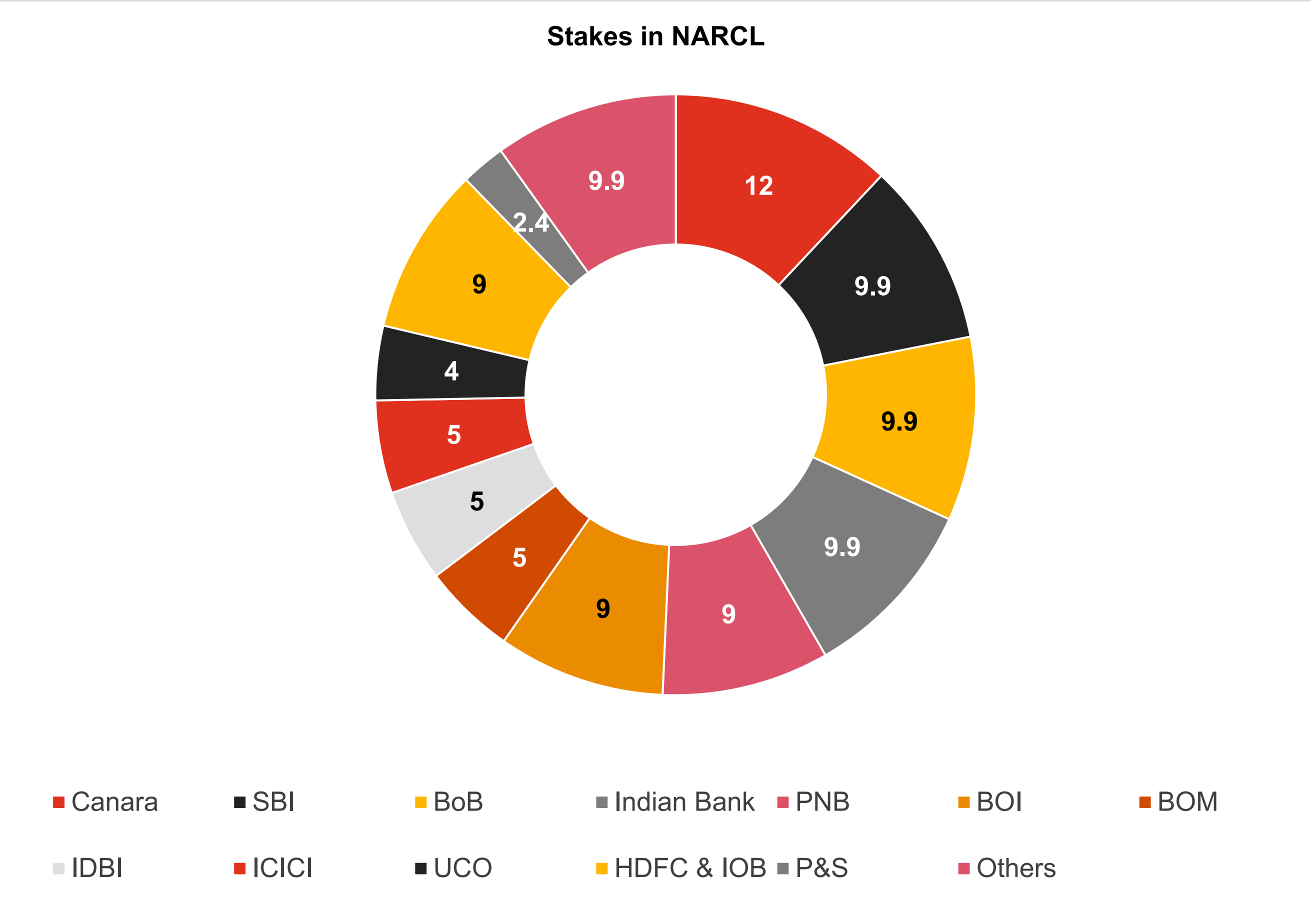
Source: NARCL Annual Report 2021-22

The Centre had set a target for the acquisition of NPAs worth INR 2 lakh crore to be acquired by NARCL at the end of FY22. As of now, only NPAs worth INR 18,000 crore have been purchased from banks against the set target.

- CNBC

Simultaneously, the NARCL is working to acquire 33 more NPA accounts from banks, worth INR 1.68 lakh crore. Out of these, offers have come in for 19 NPA accounts worth INR 1.07 lakh crore, while 14 more NPA accounts with bad loans worth INR 61,000 crore are currently being assessed by the NARCL.

- As on 08 August 2023, CNBC



Source: Economic Times

4. Group insolvency and proposed amendments under the Code

Presently, the Code addresses individual company insolvency, lacking provisions for group insolvency. Nonetheless, Indian courts have used their judicial authority to establish a functional framework that holds group companies mutually responsible. When it is necessary for some or all of these group companies to go through the CIRP, the courts make a set of rules to handle these situations, taking inspiration from similar laws in the UK and US.

The ruling that initiated the shift in the Indian judicial system and the formulation of grounds for group insolvency was the landmark judgement on Videocon, whereby the NCLT proposed a unified criterion for initiating insolvency proceedings for companies within a group. This criterion encompassed the following considerations:

- Common control
- Common director
- Common assets
- Common liabilities
- Interdependence of companies on each other
- Interlacing of term loans
- Common resources
- Singleness of economics of units as the group was known by its brand name "Videocon"
- Interloping of debts
- Intertwined books of accounts
- Common financial debtors
- Common financial creditors

Proposed framework and suggestions under the Code

The Report on Group Insolvency published by the IBBI[1] has predicted a rise in group insolvency cases involving large multinational corporations, wherein the complex ownership, operational structures and international nature of these entities make management difficult.

The report proposes the following:

01	A comprehensive 'group' definition is recommended, based on control and significant ownership criteria. Solvent group members are excluded; the framework pertains to entities undergoing CIRP or liquidation.
02	It also emphasises improved communication and coordination amongst various stakeholders.
03	Enhancing the regulatory framework is advised, involving clear cross-border group insolvency rules, management guidelines and a cross-border insolvency court.
04	Notably, the report suggests India refrains from adopting UNCITRAL Model Law on Enterprise Group Insolvency due to its focus on cross-border aspects. Instead, a flexible domestic group insolvency framework is proposed, introduced in phases.
05	Transparency, information sharing, communication and early detection of potential group insolvency cases are underscored.
06	The report holds significance for multinational corporations, advocating for robust risk management and regulatory measures against group insolvency risks.

[1] https://ibbi.gov.in/uploads/resources/9ff4f639c0d2a29ea188fd0cba332273.pdf

If a corporate debtor is in CIRP, vote by 66% of CoC; RP applies

If a corporate debtor is in liquidation, the liquidator applies after consulting with stakeholder committee

Application by two or more insolvency professionals to the AA for initiating group coordination proceedings

The AA hears objections, if any

The AA passes an order to initiate group coordination proceedings

Group coordinator proposed in the application appointed, if eligible

Other corporate debtors belonging to the same group communicate if they wish to opt in within 30 days

Any opt-ins after 30 days would have to be approved by the CoC (50% votes each) and liquidators of all participating group members

Group coordinator constitutes the group CoC

Group coordinator prepares a group strategy, in consultation with the group CoC

Requires approval of 66% of each of the participating CoCs and approvals of all liquidators, as the case may be

Intimation to the AA about approval of group strategy

The AA will terminate group coordinate proceedings if

1. group strategy is fully implemented,
2. CoCs and liquidators vote so,
3. failure to agree on a group strategy and not feasible to agree on one

Source: IBBI Group Report

5. Digitalisation of the Code and AI

Digitalisation and artificial intelligence are driving transformative changes in various sectors, and the field of insolvency and bankruptcy is no exception. The Code may undergo a revolution as a result of the incorporation of digital tools and AI technology, which would boost the efficacy, efficiency and transparency of these procedures.

Digitalisation

One of the major advantages of digitisation is increased transparency. Interested parties can get real-time updates on current insolvency cases via web portals. As stakeholders are kept informed about case developments, hearings and conclusions, this transparency creates more faith in the process. Furthermore, digital networks allow the public to observe processes, increasing accountability and lowering the possibility of fraudulent practices.

AI

AI, a subset of digital technology, adds a new dimension to insolvency and bankruptcy processes. AI algorithms can analyse massive volumes of financial data, assisting in risk assessment and financial crisis prediction. Creditors can make educated lending or investment decisions based on AI-generated information. The predictive powers of AI can also help anticipate the outcomes of insolvency cases, allowing parties to develop successful strategies.

Here are some ways digitalisation is being utilised and implemented in the insolvency process:

Electronic filing

Utilising digital platforms, creditors, debtors and other parties may submit required papers electronically, eliminating paperwork.

Online information portal

Digital platforms give users access to in-depth details regarding active insolvency cases, guaranteeing transparency and enabling stakeholders to follow case developments.

Automated notifications

Through digital channels, stakeholders receive automatic reminders regarding case developments, hearings and deadlines, guaranteeing timely communication.

Data analytics

Digitalisation enables the collection and analysis of data from diverse insolvency cases, which can give insights for more effective decision making and policy formation.

Remote hearings

Remote participation in hearings is made possible via digital platforms, which is especially important in cases such as the COVID-19 pandemic, assuring the continuity of procedures.

Case management systems

Digital tools can assist in managing and tracking the development of many insolvency cases, allowing for improved workload organisation and management.

While there are significant benefits to digitalisation, challenges such as data security, data integrity and guaranteeing of fair access to technology must be addressed to ensure the efficient implementation of these digital efforts in the insolvency and bankruptcy law.

In the framework of insolvency and bankruptcy legislation, AI can be used to improve many parts of the process:

Risk assessment

AI algorithms can analyse financial data and trends to predict a company's financial difficulties, allowing creditors to make more educated judgements.

Fraud detection

AI can detect anomalous transactions and patterns that may suggest fraudulent activity, hence assisting in the prevention of false claims throughout the insolvency process.

Automated document review

AI-powered systems can swiftly analyse and categorise massive numbers of legal papers, contracts and financial statements, which is critical for documentation in insolvency proceedings.

Prediction of outcomes

Machine learning algorithms can analyse past data to forecast likely outcomes of insolvency situations, assisting parties in making resolution decisions.

Asset valuation

By analysing market patterns and historical data, AI may aid in evaluating the assets of corporate debtors such as real estate, equipment or intellectual property.

Communication management

Chatbots powered by AI may help answer frequent questions from creditors, stakeholders and the general public, increasing openness and efficiency in communication.

Workflow automation

By automating mundane administrative activities, AI could streamline the time and effort needed to manage insolvency cases and free up specialists to work on more difficult issues.

AI and its impact on the stages of insolvency

Pre-insolvency

One feasible method for accelerating the time-consuming insolvency process is to forecast insolvency at an early or pre-insolvency stage. Predicting a company's collapse can provide investors with foresight, allowing them to reduce risk.

CIRP

An RP must handle massive amounts of data during the CIRP process. The incorporation of AI in CIRP can dramatically cut time consumption as AI is intended to easily manage such volumes of data. By examining a business's KPIs, AI may assist the RP in making rapid and strong decisions.

Liquidation

The problem of time-bound liquidation continues at the moment since the liquidator is solely responsible for processing conventional and non-traditional data. However, using AI as a tool to increase professional productivity can help achieve desired results.

"The stakeholders of IBC currently work in silos and have their separate fragmented technological platforms. There is a need for a comprehensive IT platform that can ensure end-to-end integration and digitization of the processes and serve as a single source of truth. An integrated platform would improve the outcomes of the insolvency process, including minimizing delays, increased transparency, increased participation of resolution applicants, facilitation in effective decision making and maximization of value."

- Ravi Mital, IBBI Chairman

Source: IBBI Quarterly Newsletter for April–June 2023

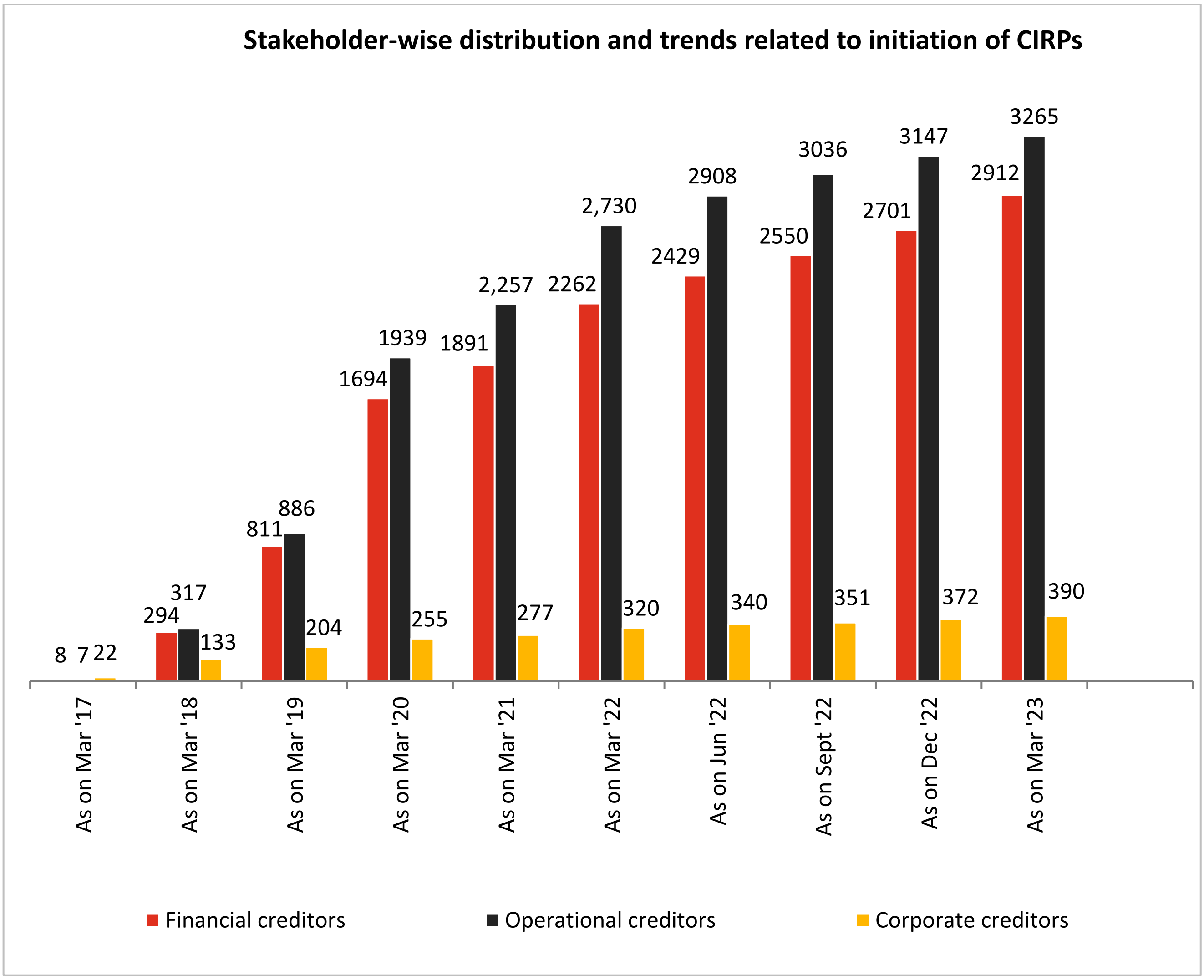
6. CoC’s Code of Conduct and role

Fairness of the decisions made by the CoC has been a heavily discussed topic since the inception of the Code. Recently, there has been increasing reliance on the CoC’s business acumen and commercial wisdom as the primary decision-making body, particularly in the context of saving the corporate debtor through a resolution plan.

A few key focus areas of the proposed Code of Conduct for CoC

- Acting in a non-partisan manner
- Not rendering decisions under influence, coercion or favour
- Maintaining transparency
- Disclosure on potential conflicts
- Promote principles of fairness
- Must not make private gains

The aim of the IBBI behind putting in place a Code of Conduct derives from the rationale that the CoC’s decisions have an impact on all stakeholders and there is a need for higher responsibility in decision making, keeping in mind the principle of fairness and interests of all stakeholders rather than self-interest.



Source: IBBI Quarterly Newsletter for April–June 2023

7. Assessing Code outcomes: Developing a framework and recommendations for improving it

The development of a framework for assessing the outcomes of the Code is crucial for ensuring the effectiveness of the insolvency resolution process and achieving its overarching goals. Therefore, it is important to establish clear criteria and methodologies for evaluating outcomes achieved through the Code. The Working Committee Report on ‘Developing a framework for outcomes under the Code’ also recognised that successful outcomes should encompass both financial recovery and revival of distressed entities.

Such a framework considers a range of parameters that span across financial, operational and social dimensions. Some key aspects of developing this framework have been outlined below.

1. **Multi-dimensional evaluation:**

   Outcomes should be evaluated without aiming for just financial recovery. Instead, a successful resolution outcome should also consider preservation of jobs, continuity of business operations and the overall economic impact. This multi-dimensional approach ensures that the assessment is holistic and aligns with the broader objectives of the Code, which go beyond merely maximising creditors’ recovery.

2. **Quantitative indicators:**

   Financial recovery is an important aspect of outcome assessment. Key indicators include the percentage of recovery achieved compared to the claims of creditors and liquidation value. Further, resolution timelines should also be assessed to measure efficiency, as delays can affect the value of assets and the stability of the distressed entity.

3. **Qualitative indicators:**

   Qualitative indicators gauge the impact of the resolution process on stakeholders and the broader economy. These indicators may include the number of jobs preserved, extent to which suppliers and employees are paid, and overall health of the industry or sector affected. Further, comparing the realisation value (actual value realised through resolution) with the liquidation value (value that would have been realised through liquidation) helps evaluate the efficiency of the resolution process. A realisation value exceeding the liquidation value highlights the success of the revival strategy. It demonstrates that the resolution process added value beyond mere asset liquidation. Moreover, standardising the approach for conducting valuation shall play a pivotal role in assessing the correct values.

4. **Cost of insolvency proceedings:**

   The cost of insolvency proceedings is an important factor in determining the efficiency of a resolution process. A cost-effective process ensures that a sizable portion of the distressed company’s assets is retained for distribution among creditors. Lower costs attract more investors and resolution applicants, fostering a competitive environment and increasing the chances of successful revival.

5. **Resolution timelines:**

   The recovery timeline reflects the speed at which distressed companies are resolved. A shorter timeline minimises uncertainty for stakeholders, preserves asset value and ensures business continuity. An efficient resolution process prevents asset erosion and enhances creditor recovery, thereby contributing to the overall success of the Code.

6. **Insolvency filing rate:**

   The insolvency filing rate acts as a vital instrument to gauge the level of trust creditors have in the IBC framework. The efficacy of the system to produce efficient resolutions and optimise creditor returns is demonstrated by a greater filing rate. A high filing rate shows that the insolvency procedure is simpler and straightforward, and adequately protects the interests of creditors.

7. **Comparative analysis:**

   Comparing the outcomes of the resolution with the potential outcome under liquidation is a useful method for evaluating outcomes. This contrast highlights how revitalising the corporation is more advantageous than selling its assets individually in the market, .

8. **Sectoral and contextual variation:**

   Different industries have distinctive traits, difficulties, and opportunities. A good evaluation system should be flexible enough to accommodate these changes. Thus, in order to guarantee the applicability of the assessment criteria, sector-specific performance indicators should be defined.

9. **Involvement of stakeholders:**

   Various stakeholders, such as creditors, insolvency specialists, industry experts and employee representatives, should be involved in the construction of evaluation frameworks. Their contributions would guarantee that the evaluation criteria are balanced and well-rounded, taking into account the various viewpoints engaged.10.

10. **Reporting and transparency:**

    A reporting mechanism should be established to provide updates on financial recovery, operational stability and other relevant metrics under the Code. This mechanism would enable to study and work on the key areas of development.

11. **Implementation of plans during CIRP:**

    Assessing the implementation of plans proposed during the CIRP is crucial.. The success of a resolution plan is gauged by the extent to which its objectives have been achieved. This means looking at whether the proposed business strategies and financial changes were carried out effectively and ultimately helped bring the struggling company back to life.

    In conclusion, evaluating outcomes under the Code involves a multi-dimensional analysis that encompasses cost, timeline, filing rate, value realisation and plan implementation. This comprehensive approach ensures that the Code meets its objectives of preserving asset value, protecting creditors' interests and facilitating the revival of distressed entities.

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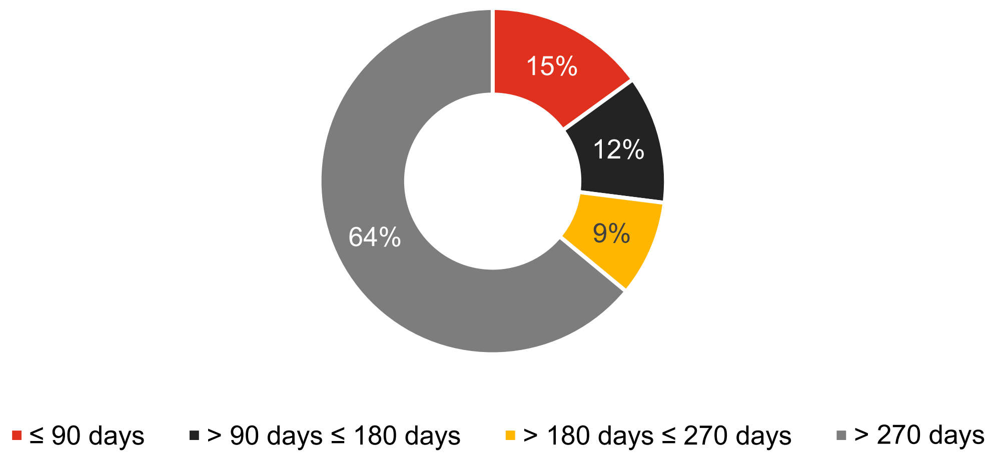
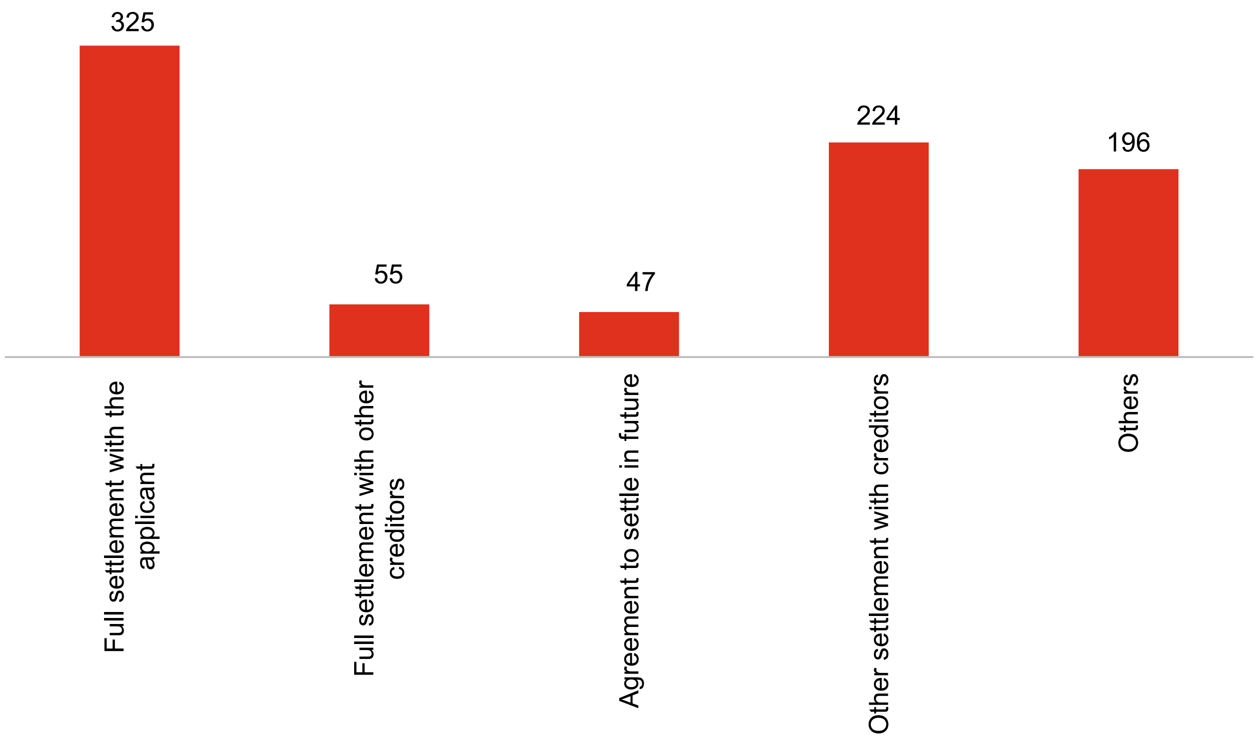
Timeline: Ongoing CIRPs



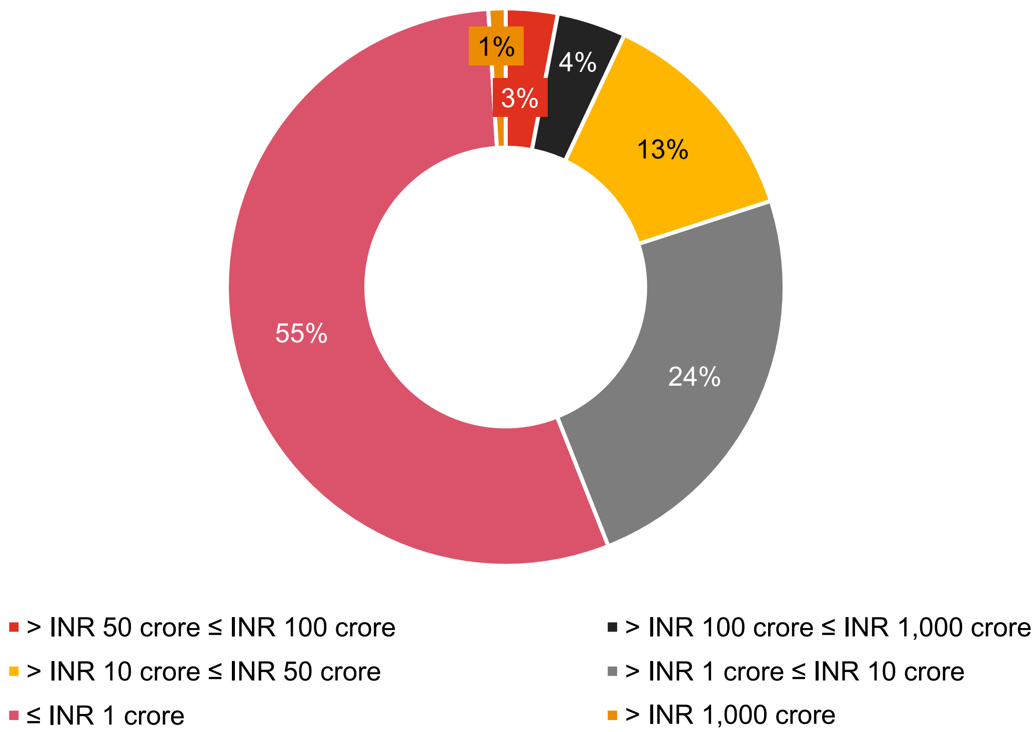
Source: IBBI Quarterly Newsletter for April–June 2023

Reasons for the withdrawal of CIRPs

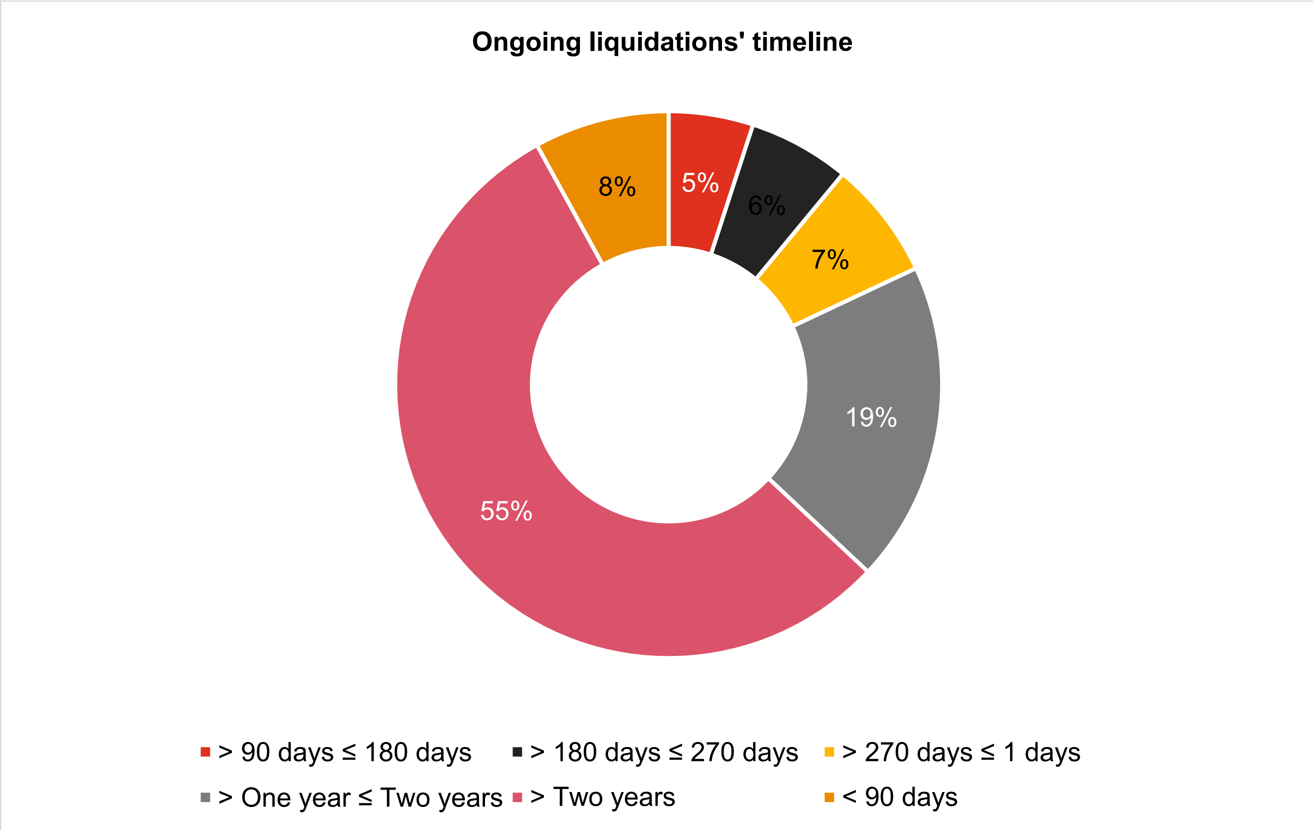


Source: IBBI Quarterly Newsletter for April–June 2023

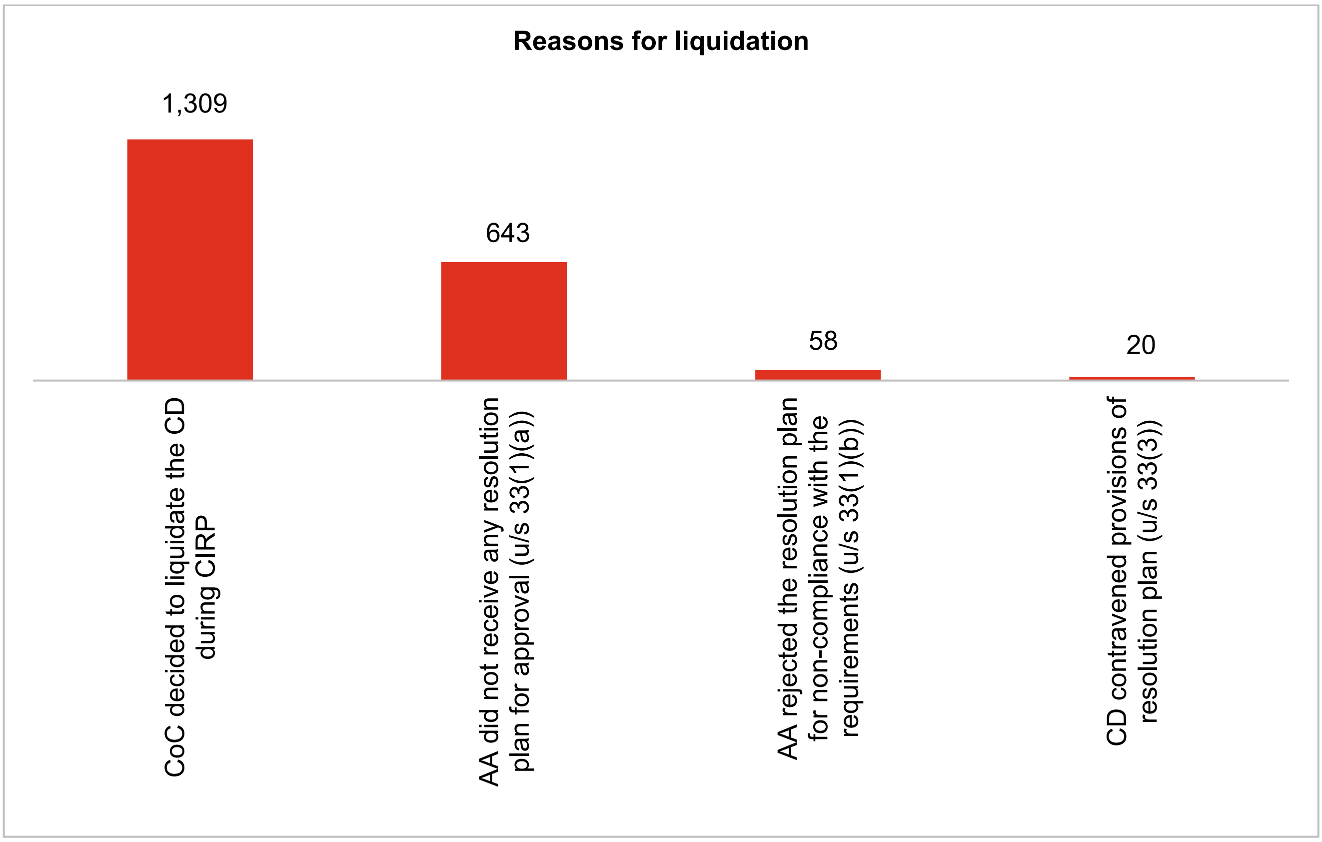
Distribution of withdrawn CIRPs



Source: IBBI Quarterly Newsletter for April–June 2023



Source: IBBI Quarterly Newsletter for April–June 2023



Source: IBBI Quarterly Newsletter for April–June 2023

8. Challenges faced by resolution applicants

While acquiring a corporate debtor through the insolvency regime has an extensive list of advantages – the ability to carry forward losses, acquisition as a clean slate principle and discounted prices – a resolution applicant, being one of the key stakeholders of any corporate insolvency resolution process, must persevere to achieve that goal.

At every stage of the CIRP, whether it is before the CoC/NCLT's approval of the resolution plan or after the approval, all resolution applicants must overcome a variety of challenges.

Challenges faced by PRAs before the approval of a resolution plan by the NCLT

01 Limited information of the corporate debtor

Ex-management of the corporate debtor's refusal to cooperate in disclosing all essential information to the RP has a negative impact on the resolution applicant's capacity to understand the corporate debtor in a precise manner.

02 Blocking funds in the form of performance bank guarantee

While making it mandatory for all successful resolution applicants to submit a performance bank guarantee to ensure that resolution plans once approved are not withdrawn on a whim, the extended time taken for approval of the resolution plan by the NCLT often acts a roadblock to invest such funds elsewhere.

03 Tight timelines

There is sometimes little time for detailed research and strategic preparation since resolution applicants are frequently under pressure to swiftly develop and implement a resolution plan. Thus, the effectiveness of decision making and implementation may be compromised by this time crunch.

The Code has occasionally been found to fall short in terms of implementing a resolution plan, despite efforts made by a successful resolution applicant to preserve business value and continue to operate the corporate debtor as a going concern.

Challenges faced by SRAs after the approval of resolution plan by the NCLT

01 Long wait time for approval

The indefinite time taken by the NCLT for approving the resolution plan takes a toll on the resolution applicant, who sets aside his/her funds for immediate implementation. This delay may be attributed to the many pending cases with the NCLT.

02 Past obligations being rendered null and void after resolution applicant's acceptance

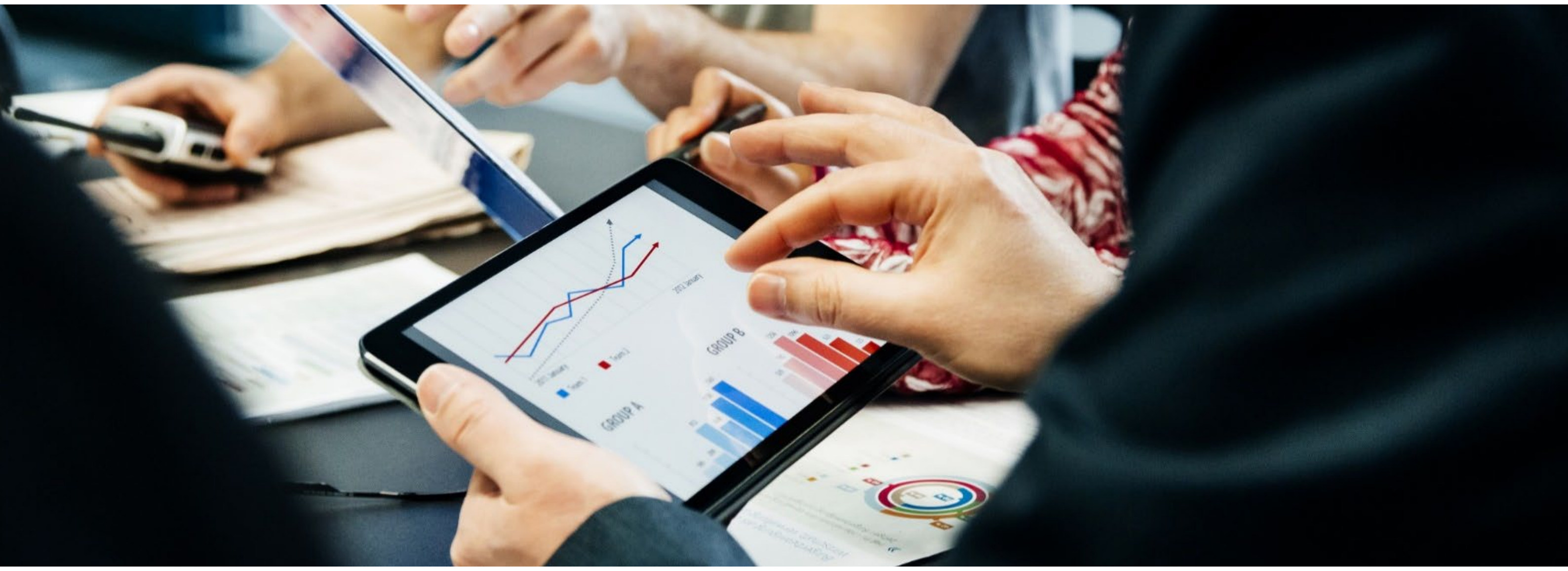
According to several legal precedents, all past liabilities of the corporate debtor are discharged after the approval of a resolution plan. Despite this, creditors with rejected claims and those who have failed to present evidence of their claims continue to wreak havoc on the current proceedings by filing applications. This results in several hearings, which harms the interests of both successful settlement applicants and verified creditors.

03 Operational and management continuity

Insolvent businesses often have a history of mismanagement, operational inefficiencies and structural difficulties. Therefore, successful resolution applicants must overcome these obstacles in order to effectively implement a turnaround strategy. Realigning corporate procedures, optimising operations and dealing with staff morale difficulties are all complex jobs that need a careful mix of leadership, strategy and implementation.

04 Resistance from existing stakeholders

Employees, vendors and other business partners could be wary of new ownership due to concerns about adjustments to working conditions, payment policies or commercial ties. In order to secure a seamless transition and sustain the profitability of the firm, developing trust and open communication is essential.



9. Disclosure of valuation estimate to the resolution applicants

In the absence of a liquidation value, prospective resolution applicants must independently assess the value they will attribute to the troubled corporate debtor, using information provided by the RP in the IM. PRAs need to ensure that they allocate a minimum liquidation value for dissenting financial creditors. However, this process becomes complex due to challenges like formulating a liquidation value based on IMs prepared by insolvency professionals and issues arising from non-cooperative promoters by withholding financial data. While not revealing the liquidation value reduces overall creditor losses, it compels PRAs to make financially liberal guesses, potentially exceeding the liquidation value.

Previously, PRAs were informed of the liquidation value as per regulation 36(2)(j) of the CIRP regulations, but this was later omitted by notification no. IBBI/2017-18/GN/REG022, dated 31 December 2017 (effective from 1 January 2018).

Section 30(2)(b) of the Code makes the aforesaid guesswork more apparent, as per which the PRA has to ensure that the liquidation value is provided to both operational creditors and the dissenting financial creditor of the corporate debtor. Further, the Code does not even provide any provision for a PRA to conduct his/her own valuation prior to submitting his/her plan – any exercise or attempt at achieving such a valuation has to be done through information provided in the IM itself or through other financial information shared by the RP under section 29 which as per his/her own individual assessment might be relevant for submitting the resolution plan. Some CoC members and RPs are, as a matter of practice, allowing PRAs to conduct their own valuation before submitting the resolution plan but due to a lack of specific provision permitting the undertaking of such an exercise of valuation by a PRA, the practice of valuation by PRA before submitting his/her plan is not able to fully develop. Further, there can also be logistical issues of multiple PRAs undertaking multiple valuations exercises of their own, which a RP might not wish to indulge in, without there being a specific provision in the Code. Moreover, multiple PRAs independently valuing a debtor can pose logistical challenges as well.

The MCA in one of its recent papers also sought suggestion from the general public on the issue of 'Disclosure of the valuation estimates in the IM', whereby it has been proposed that the valuation estimate of assets shall be made in the IM of the corporate debtor to enable PRAs to assess the corporate debtor's value before submitting a plan could enhance plan quality.

Disclosing the liquidation value to prospective PRAs under the insolvency code of India can offer several advantages:

- **Transparent and informed decision making**
- **Better plan formulation**
- **Enhanced creditor protection**
- **Reduced guesswork**
- **Faster decision making**
- **Dispute mitigation**
- **Increased competition**
- **Reduced uncertainty**
- **Creditor buy-in**

While disclosing the liquidation value to resolution applicants can aid in the resolution process, there are potential disadvantages to consider:

- Bid manipulation: Providing the liquidation value to resolution applicants might lead to bid manipulation. Bidders could strategically submit offers just above the disclosed liquidation value, rather than offering what they genuinely believe the company is worth. This could lead to reduced competition among bidders, resulting in potentially lower recovery for creditors and stakeholders.
- Stifling innovation: Disclosing the liquidation value could discourage innovative resolution plans. Bidders might focus on conventional liquidation-based valuations instead of exploring creative strategies that could lead to better business outcomes in the long term.
- Uncertainty and volatility: In cases where the liquidation value is significantly lower than expected, it could create uncertainty and potentially lead to market volatility. This might impact investor sentiment and confidence in the resolution process. Further, disclosure of the liquidation value can lead to market speculation and manipulation. Competitors or market players might use this information to influence the resolution process in ways that aren't conducive to a fair and transparent process.
- Deterrent for strategic investors: Strategic investors who are interested in long-term value creation might be discouraged from participating if they perceive the resolution process to be overly focused on liquidation values. This could lead to missed opportunities for rescuing viable businesses.

It's worth noting that the provision mandating the disclosure of the liquidation value to PRAs was initially a part of the code, but it was subsequently removed after a certain period. During that time, PRAs, in order to fulfil the minimum criteria set forth in the code for a valid resolution plan, often relied on the liquidation value and stated that they will give only the liquidation value to OC's (who cannot vote on plan). Further, they also used to put a clause which mentioned that dissenting creditors would receive merely the liquidation value. Moreover, even if the intrinsic value of the company for the PRA was more than the liquidation value, the fact that the liquidation value was already known to the PRA gave them a bargaining advantage – which does not have a beneficial effect on realisable value. Due to this, there was less incentive for PRAs to find the market value of the corporate debtor.

On the other hand, removing the said regulation allowed PRAs to do a thorough independent valuation exercise on their own, which allowed them to propose a value which was closer to the intrinsic value that they put on the corporate debtor. The independent valuation currently done by PRAs allows them to independently determine the company's current market value.. This independent valuation exercise, when done by multiple PRAs, allows them to discover the market value of the corporate debtor.

10. Evolution of the private credit market in India

Private credit, often referred to as private debt, is a form of financing in which borrowers (typically businesses or individuals) raise capital directly from private investors or institutions rather than from traditional banks or public markets. Private credit can take various forms, including loans, bonds, mezzanine debt and other debt instruments. This type of credit can provide borrowers with more flexible terms, customised structures and faster access to capital compared to traditional banking channels. With the inception of the creditor-friendly model of IBC, a robust foundation for the enforcement of credit in India has been laid, significantly boosting the trajectory of the private credit market in India.

Over the years, the private credit market in India has seen a remarkable metamorphosis that has significantly shaped the financial landscape of the nation. It first emerged prior to financial liberalisation, when the financial sector was mostly governed by Government agencies. Access to finance was constrained at this time, and the market lacked the diversity and dynamism it has now. The 1990s economic liberalisation opened the door for private players to enter the lending sector. The framework required for the growth of private lending was supplied by regulatory changes and the development of organisations like SEBI.

1. **Emergence of NBFCs:**

   The introduction of NBFCs was one of the most important changes in the growth of the private credit industry. These organisations catered to under-represented markets by filling the credit gap created by conventional banks. Both small enterprises and individual customers were drawn to their flexible financing policies and cutting-edge goods. Therefore, NBFCs played a pivotal role in increasing loan access across the country.

2. **Technology and digital disruption:**

   The private credit market underwent a paradigm shift as a result of the development of technology and digital platforms. The number of P2P lending and online lending platforms increased, which used data analytics and algorithms to determine trustworthiness. Due to the decrease in reliance on conventional collateral-based lending, credit became more readily available to consumers and small businesses. Borrowers found the quick loan disbursal and simple application process to be appealing.

3. **Inclusion and microfinance:**

   With the emergence of MFIs, the private lending sector too went through a revolutionary period. These organisations provided microloans to the unbanked and underbanked populace in order to engage further in income-generating activities. The success of MFIs demonstrated the possibility of reaching out to groups that were previously seen as economically excluded.

4. **Challenges and regulatory response:**

   Concerns about risk management, transparency and consumer protection arose as the private lending industry expanded. Regulatory authorities tightened control because of instances of careless lending and over indebtedness. Guidelines were established by the RBI to control NBFCs, P2P lending and digital lenders, assuring responsible lending practises and defending the interests of borrowers.

5. **Securitisation and market sophistication:**

   The emergence of securitisation in the private credit sector was another significant progress. It improved liquidity and made it possible for investors to engage indirectly in the credit market by allowing lenders to package loans into marketable securities. The market's complexity drew institutional investors, significantly broadening the sources of capital for credit providers.

Current scenario

At present, we see a reduction in dealmaking in India as the start-up culture is fading due to various macroeconomic challenges. This decline is mainly attributed to the rise in interest rates and inflation[2]. Further, despite rising interest rates, the GDP growth rate for India is forecasted at 6.5% for FY24. Moreover, SCB balance sheets also continue to demonstrate resilience, maintaining a robust position, as indicated by the NPAs standing at 3.9%.

Source for first cloud[3]

Source for second cloud[4]

'The GNPA ratio of SCBs decreased from 8.2% in March 2020 to a seven-year low of 5.0% in September 2022. Lower slippages and the reduction in outstanding GNPAs through recoveries, upgrades and write-offs led to this decrease.' – The Economic Survey 2022–23

On the contrary, in the first half of 2023, India also witnessed an infusion of inventive and well-structured capital solutions from private credit entities, with the exception of noteworthy high-value deals in the real estate and metal and mining sectors. Numerous prominent funds are actively exploring the Indian landscape, diligently evaluating opportunities and specialised niches that align with their strategic objectives and capabilities.

Overall, there is a significant increase in private credit funding in India, which emerges as a pivotal juncture diversifying the funding landscape for start-ups and enhancing the investment ecosystem by furnishing investors with an avenue for measured growth potential.

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2 https://www.businesstoday.in/entrepreneurship/interviews/story/once-booming-indian-startups-set-for-more-pain-as-funding-crunch-worsens-377935-2023-04-19

3 https://www.livemint.com/economy/making-sense-of-india-s-gdp-growth-promises-11691934228378.html#:~:text=Summary,a%20developed%20economy%20by%202047.

4 https://economictimes.indiatimes.com/news/india/india-will-become-third-largest-economy-in-my-third-term-pm-modi/articleshow/102145334.cms?from=mdr

11. Recent judicial precedents

Paschimanchal Vidyut Vitran Nigam Ltd v. Raman Ispat Private Limited: Relief for creditors

The Supreme Court confirmed that the Code will hold a higher authority compared to the non-obstante clauses in the Electricity Act, 2003. The legal stance on the Code's superior influence mirrors the perspective explored in the Sundaresh Bhatt case, where the liquidator of ABG Shipyard v. Central Board of Indirect Taxes and Customs was discussed. This signifies that the Code's supremacy will take precedence over other statutes, to the extent that authorities will have limited jurisdiction to initiate the recovery of outstanding payments through property attachment, once a moratorium is in effect.

It also noted that the Rainbow ruling overlooked the functioning of the waterfall mechanism. It is also important to note that this ruling pertains specifically to the process of liquidation, whereas the Rainbow Papers case was concerned with a resolution process scenario. Moreover, the deliberate differentiation in the treatment of payments to secured creditors and obligations to the Government underscores Parliament's clear intention to handle the two categories differently.

Sundaresh Bhatt, Liquidator of ABG Shipyard v. Central Board of Indirect Taxes and Customs (civil appeal no. 7667 of 2021):

The Supreme Court clarified that the Customs Act, 1962, and the IBC operate independently within their own domains. If a conflict arises between the two, the Code takes precedence due to its status as specialised legislation. Therefore, in instances where a moratorium is applied, the customs authority must adhere to the procedural guidelines set forth by the Code when submitting its claims in a timely manner. Notably, the customs authority is prohibited from pursuing claims for debt recovery or imposing interest on outstanding taxes during the duration of the moratorium.

Union Bank of India v. Dinkar T. Venkatasubramanian [company appeal (AT) (Ins.) no. 729 of 2020]:

The Supreme Court, during the appeal proceedings, affirmed the decision of the NCLAT five-member bench. The NCLAT's decision established that it holds the authority to recall its own judgment through the inherent power granted by rule 11 (inherent powers) of the NCLAT Rules, 2016. This authority can be exercised when there is a procedural mistake in the pronouncement of the previous judgment.

Vineet Saraf v. Rural Electrification Corporation Ltd. [W.P.(C) 3293/2023 and CM APPL 12815/2023]

The Delhi High Court has rejected a request to invalidate a demand notice issued to a personal guarantor under rule 7(1) of the Insolvency and Bankruptcy (application to adjudicating authority for insolvency resolution process for personal guarantors to corporate debtors) Rules, 2019. The court determined that the issuance of the demand notice to the personal guarantor is not unjust or arbitrary. This action is taken to fulfil the legal obligation outlined in section 95 of the Code, enabling the presentation of the argument before the NCLT that the personal guarantor is indeed indebted to the creditor.

NOIDA v. Anand Sonbhadra (civil appeal no. 2222 of 2021):

Under section 3 of the Uttar Pradesh Industrial Area Development Act, 1976, NOIDA functioned as a lessor, granting a plot to the corporate debtor through a lease on 30 July 2010, spanning 90 years. Subsequently, the CIRP was initiated, during which NOIDA submitted an initial claim as an operational creditor. Later, NOIDA put forth an additional claim as a financial creditor, leveraging the lease deed executed between NOIDA and the corporate debtor, and asserted it as a financial lease.

The NCLT determined that the involved lease agreement did not align with the criteria of a financial lease as per the Indian Accounting Standards. Consequently, the appellant's status as a financial creditor was negated. The Supreme Court endorsed the NCLT's ruling, employing an interpretation of sections 5 (7) and 5 (8) of the IBC, thereby clarifying that NOIDA's classification should be confined to that of an operational creditor.

Rajiv Chakraborty, resolution professional of Era Infra Engineering Limited (Delhi High Court) (W.P.(C) 9531/2020):

The Delhi High Court determined that proceedings under the PMLA, 2002 would persist even during the moratorium applied to the corporate debtor. The Court's rationale was that while the moratorium safeguards the company's assets, the PMLA operates in a distinct realm, focused on seizing assets from criminal proceeds.

12. Glossary

AA	**Adjudicating Authority**
AI	Artificial intelligence
CIRP	Corporate Insolvency Resolution Process
CoC	Committee of Creditors
Code/IBC	Insolvency and Bankruptcy Code, 2016
DRT	Debt Recovery Tribunal
FY	Financial year
GDP	Gross domestic product
GNPA	Gross non-performing assets
IBBI	Insolvency and Bankruptcy Board of India
IM	Information memorandum
MCA	Ministry of Corporate Affairs
MFIs	Microfinance Institutions
MSME	Micro, small and medium enterprises
NARCL	National Asset Reconstruction Company Limited
NBFC	Non-banking financial companies
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NeSL	National E-Governance Services Ltd
NOIDA	New Okhla Industrial Development Authority
NPA	Non-performing assets
OC	Operational creditor
P2P	Peer to peer
PMLA	Prevention of Money Laundering Act, 2002
PRA	Prospective resolution applicant
RBI	Reserve Bank of India
RP	Resolution Professional
SARFAESI	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest
SCB	Scheduled commercial bank
SEBI	Securities and Exchange Board of India
UNCITRAL	United Nations Commission on International Trade Law

13. About ASSOCHAM

The Associated Chambers of Commerce & Industry of India (ASSOCHAM) is the country's oldest apex chamber. It brings in actionable insights to strengthen the Indian ecosystem, leveraging its network of more than 4,50,000 members, of which MSMEs represent a large segment. With a strong presence in states, and key cities globally, ASSOCHAM also has more than 400 associations, federations, and regional chambers in its fold.

Aligned with the vision of creating a New India, ASSOCHAM works as a conduit between the industry and the Government. The Chamber is an agile and forward-looking institution, leading various initiatives to enhance the global competitiveness of the Indian industry, while strengthening the domestic ecosystem.

With more than 100 national and regional sector councils, ASSOCHAM is an impactful representative of the Indian industry. These Councils are led by well-known industry leaders, academicians, economists and independent professionals. The Chamber focuses on aligning critical needs and interests of the industry with the growth aspirations of the nation.

ASSOCHAM is driving four strategic priorities - Sustainability, Empowerment, Entrepreneurship and Digitisation. The Chamber believes that affirmative action in these areas would help drive an inclusive and sustainable socio-economic growth for the country.

ASSOCHAM is working hand in hand with the government, regulators, and national and international think tanks to contribute to the policy making process and share vital feedback on implementation of decisions of far-reaching consequences. In line with its focus on being future-ready, the Chamber is building a strong network of knowledge architects. Thus, ASSOCHAM is all set to redefine the dynamics of growth and development in the technology-driven 'Knowledge-Based Economy. The Chamber aims to empower stakeholders in the Indian economy by inculcating knowledge that will be the catalyst of growth in the dynamic global environment.

The Chamber also supports civil society through citizenship programmes, to drive inclusive development. ASSOCHAM's member network leads initiatives in various segments such as empowerment, healthcare, education and skilling, hygiene, affirmative action, road safety, livelihood, life skills, sustainability, to name a few.

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14. About PwC India's Business Recovery Services

PwC's Business Recovery Services in India works alongside organisations to negotiate great outcomes at speed, finding the optimal solution to financial and operational challenges by reducing risk and protecting value where time and cash are tight.

Our teams can support in

- Diagnosis and business stabilisation
  - Triggering root causes
  - Short-term liquidity management to ensure business continuity
- Turnaround plan preparation
  - Set restructuring objectives and strategy
  - Develop a strong and reliable business plan
  - Define a detailed and measurable action plan
- Shareholder negotiations
  - Proactive management of communication and negotiation with the stakeholder while ensuring the continuity of day-to-day operations
- Plan execution
  - Direct involvement in the execution of the agreed action plan
  - Prompt remediation of delays and variances
- Exit support
  - Define and execute the exit strategy or strengthen equity through M&A competencies and access to a vast network of international investors

Whatever the solution, we pre-empt and manage roadblocks until the job is done.

Our teams lead business restructuring projects from start to end. We offer advisory services to lenders, creditors, companies and individuals in troubled financial situations to help identify problems, gain stakeholder cooperation, develop revival solutions and implement them with ease and precision.

We are playing multiple roles in the stressed assets

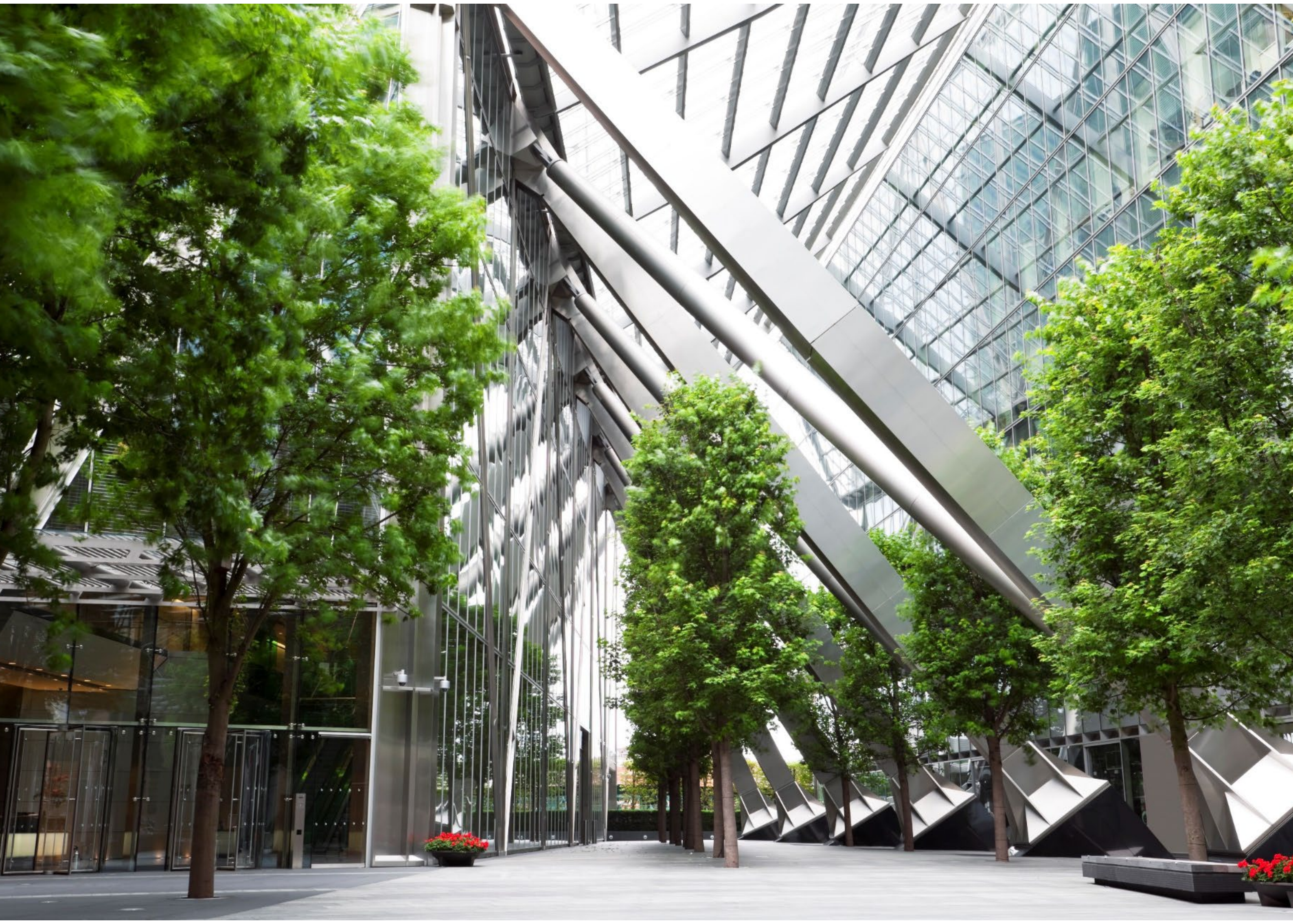
PwC has the capabilities to help clients through the entire continuum of a business's life cycle. Due to our extensive experience in business plan optimisation, due diligence, tax, valuation, complex accounting and access to capital markets, we are able to help our clients maximise their opportunities and value throughout the business life cycle. The firm provides services from stressed assets guidance to liquidation services and insolvency advisory in India.

Restructuring and debt advisory in India

- Bankruptcy filing preparation
- Resolution professional services
- Bid evaluation for lenders
- Negotiation with creditors
- Development of reorganisation plan
- Enterprise valuation
- Claim verification
- Insolvency process monitoring and implementation
- End-to-end CIRP advisory for successful and speedy resolution
- Liquidation services and portfolio sales

Navigating through bankruptcy

- Working capital optimisation
- Cash flow monitoring for lenders
- Business plan review
- Development of a turnaround plan
- Negotiation with stakeholders
- Interim financing
- Bringing in investors from global network
- Working with stressed assets investor category
- Third-party funding for claims in certain sectors
- Fundraising for stressed assets



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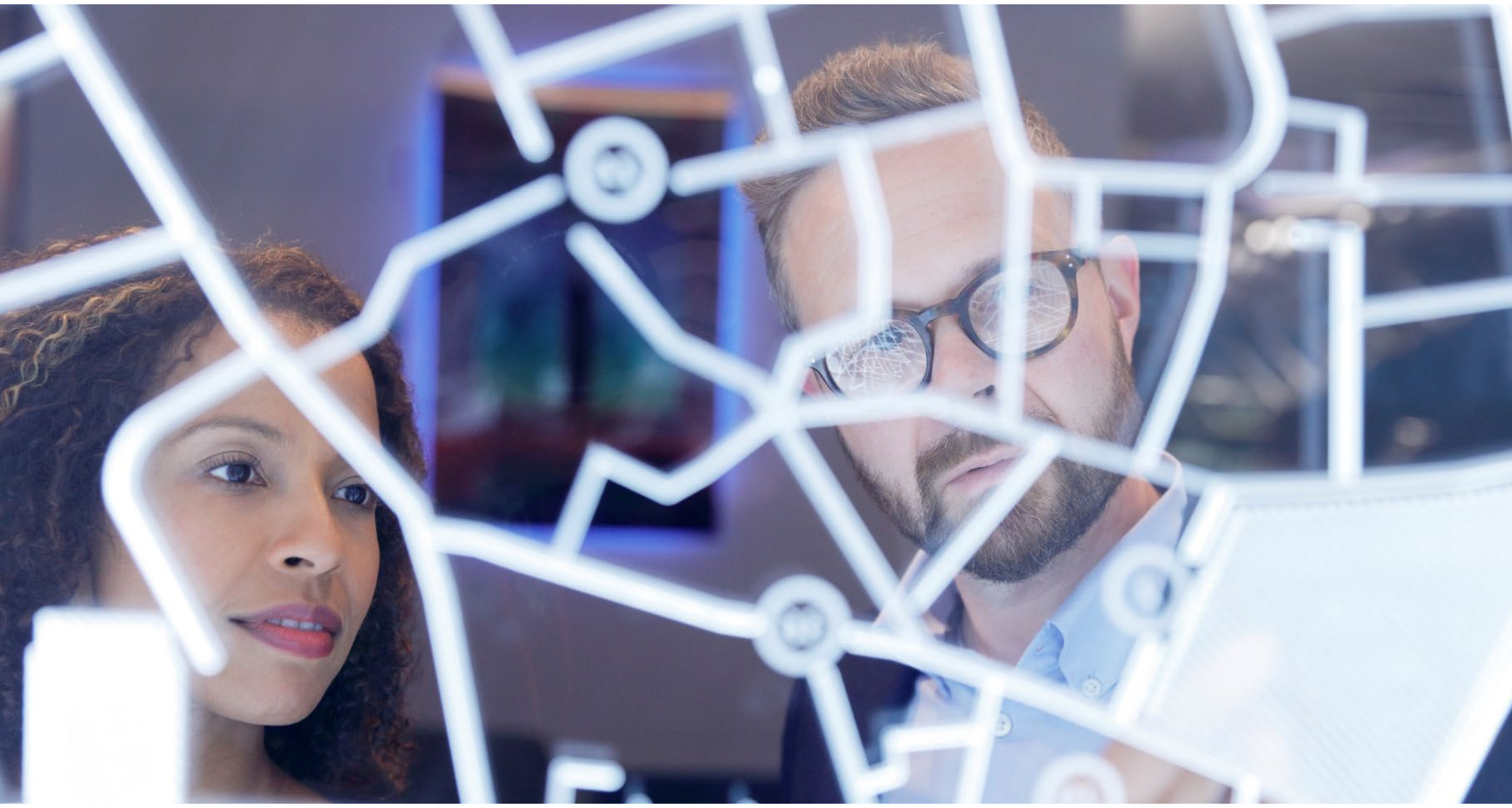
Hyderabad Unit-2B, 8th Floor, Octave Block, Block E1 Parcel - 4, Salarpuria Sattva Knowledge City, Raidurg, Hyderabad, Telangana - 500081, India **PricewaterhouseCoopers Pvt Ltd** Tel: +91 (40) 4424 6000 Fax: +91 (40) 4424 6300	**Jaipur Tonk Road** 601 & 601A6th Floor, Kailash Tower, Lal Kothi, Tonk Road, Jaipur **PricewaterhouseCoopers Pvt Ltd** Tel: 91 9783966656
Kolkata South City Pinnacle South City Pinnacle, 13th Floor Plot No. X1-1, Block-EP, Sector V, Salt Lake Kolkata, 700091, India **PricewaterhouseCoopers Service Delivery Center (Kolkata) Pvt. Ltd.** Tel: +91 (33) 4408 9018 Fax: +91 (33) 4404 6564	**Kolkata Magnacon Building** Advandz Infinity - Magnacon, 16th Floor Block-BN, Sector V, West Bengal - 700091, Kolkata, India **PricewaterhouseCoopers Pvt Ltd** Tel: +91 (33) 6823 5000
Kolkata Y-14 Plot No Y-14 Block EP, Sector V, Salt Lake Electronics Complex Bidhan Nagar, Kolkata 700 091, West Bengal, India **PricewaterhouseCoopers Pvt Ltd** Tel: +91 (33) 2357 9260, 7600 Fax: +91 (33) 2357 7496, 7456	**Kolkata DN 57** Plot Nos. 56 & 57, Block DN-57 Sector-V Salt Lake Electronics Complex, Kolkata 700 091, West Bengal, India **PricewaterhouseCoopers Pvt Ltd** Tel: +91 (33) 2357 9100, 9101, 4400 1111 Fax: +91 (33) 2357 3395, 2754

Mumbai Shivaji Park 252, 2nd - 5th floor, Veer Savarkar Marg, Shivaji Park Dadar, Mumbai - 400028, Maharashtra, India **PricewaterhouseCoopers Pvt Ltd** Tel: +91 (22) 6669 1000 Fax: +91 (22) 6654 7800/7801/7802	**Mumbai Goregaon** 7th & 8th Floor, IT Building No.3, Nesco IT Park Western Express Highway, Goregaon East, Mumbai - 400063, Maharashtra, India **PricewaterhouseCoopers Pvt Ltd** Tel: +91 (22) 6119 8000 Fax: +91 (22) 6119 8799
Mumbai Powai Business District Winchester Building, Unit 404 Powai Business District Central Avenue, Powai Mumbai - 400 076 Maharashtra **PricewaterhouseCoopers Service Delivery Center (Bangalore) Private Limited**	**Patna - Project Office** House No - B/194 Sri Krishnapuri Patna **PricewaterhouseCoopers Pvt Ltd** Tel: +91 (995) 599 4932
Pune 7th Floor, Wing 1, Tower A Business Way, Yerwada, Pune 411006, Maharashtra, India **PricewaterhouseCoopers Pvt Ltd** Tel: +91 (20) 4100 4444 Fax: +91 (20) 4100 6161	**Raipur** Office No. 9C, Sector 21 Central Business District, Naya Raipur, Chhattisgarh, India **PricewaterhouseCoopers Pvt Ltd** Tel: +91 (771) 431 7700



Notes

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