



**INSOLVENCY LAW ACADEMY**  
An Indian Institute of Excellence in Insolvency

# STRESSED ASSETS STAKEHOLDERS FORUM



# ABOUT INSOLVENCY LAW ACADEMY

**ILA IS AN INDEPENDENT INSTITUTE OF EXCELLENCE IN INSOLVENCY. AS A THINK TANK AND RESEARCH INSTITUTE, ILA SEEKS TO CONTRIBUTE TO ROBUST POLICY MAKING AND ENHANCEMENT OF STANDARDS IN THE INSOLVENCY INDUSTRY THROUGH CUTTING-EDGE RESEARCH, INNOVATION AND DEVELOPMENT OF BEST PRACTICES. ILA AIMS TO DEVELOP A COMMUNITY IN PURSUIT OF EDUCATION, RESEARCH AND SCHOLARSHIP IN THE FIELD OF INSOLVENCY IN INDIA.**

One of the many strategies to deal with the problem of non-performing assets (NPA) effectively and maximising price discovery is to develop a market for distressed assets. A secondary market for NPAs can reduce the debt collection burden on banks and free up resources and capital to support new lending and allow optimum use of assets unlocked in the process. Distressed assets investment firms are adept at generating capital from sophisticated investors to acquire stressed assets with a strategy to turnaround and enhance the value of assets. These firms have played an integral role in some of the major corporate resuscitations around the world over the last three decades.

For an emerging economy like India, where market participants are strongly dependent on loans from banks and where the corporate bond market is under-penetrated, developing a market for distressed assets is vital. India's stressed assets market is estimated at \$115 billion. A massive amount of capital is needed among the intermediaries in the NPA resolution process. The enactment of the Insolvency and Bankruptcy Code, 2016 (Code) has created an effective the framework for resolution of stressed assets. The Code is a work in progress legislation with concerns. Delays in resolution process and approval of resolution plans by Adjudicating Authority continue to be a matter of concern for distressed assets investors and other stakeholders. Improvements in insolvency ecosystem are needed to create an attractive market of distressed assets.

ILA has established the Stressed Assets Stakeholders Forum (SASF) to serve as a platform to bring together the distressed assets funds, investors, financial institutions, fund managers, restructuring, turnaround and other experts, and related stakeholders.

## OBJECTIVES OF SASF

- To meet regularly to discuss the challenges and suggestions to develop an attractive market for distressed assets acquisition in India and beyond, including:
  - measures to improve secondary market transactions in distressed debt, such as:
    - increasing the number and type of participants in the market by enabling sales of distressed debt as well as securitisation of distressed debt by a larger pool of investor,
    - creating a systematic loan sales platform,
    - improving information symmetry for better price discovery, and
    - standardisation of documents to enable secondary market transactions.
  - measures to improve the ability of financial investors to propose resolution plans under the Code, such as:
    - recognising resolution plans that envisage “turnaround and sale” of assets,
    - recognising “credit-bidding” like structures, and
    - strengthening the ability of existing financial creditors of a debtor to propose resolution plans under the Code.
  - measures to strengthen pre-insolvency and hybrid restructuring, such as:
    - improving information symmetry,
    - aligning regulatory impact of restructuring under the Code and outside the Code
    - promoting the use of pre-packs, including through creation of standard documentation and protocols,
- Complement the work of ILA in the development of best practices for pre insolvency resolutions and pre-pack schemes
- Engage with ILA Insolvency Scholars Forums and ILA Research Centre to commission research papers on subjects relevant to SASF
- Support efforts of ILA to develop turnaround profession in India
- Undertake work ancillary to above objectives.
- Provide inputs (from time to time), and collaborate with ILA Impact Assessment Chair on the implementation and progress of the Insolvency and Bankruptcy Code, 2016 and out of court workouts.
- Publish as and when required, but definitely an annual report, on progress in pre insolvency space. The report will be published separately and also included as part of ILA Annual Report.
- Plan one SASF session for the ILA Annual Conference.

## APPROACH

**THE MEETINGS OF SASF WILL BE CLOSED DOOR MEETINGS. OPEN MEETINGS WILL BE HELD ONLY WHERE APPROVED BY STEERING COMMITTEE IN CONSULTATION WITH THE MEMBERS.**

## JOINING SASF

The membership of SASF is by invitation only and limited to 30 in number. The SASF Membership is open to:

- Distressed Assets Funds
- Distressed Assets Investors
- Financial Institutions
- Investment Managers
- Stressed Debt Resolution Companies
- Insolvency Professionals
- Turnaround Experts
- Related Stakeholders

## MEMBERSHIP FEES

There is a one-time non-refundable joining fees of Rs. 1.5 lakh and an annual fees of Rs. 1 lakh.

## SASF BUDGET

Revenue from Membership Joining and Annual Fees forms the bulk of the revenue to carry out the activities of SASF. To meet the cost of commissioning research papers and holding events of SASF, sponsorships and further contributions may be called. ILA and SASF may apply for grants to support research work of SASF.

## STEERING COMMITTEE

A Steering Committee guide the functioning of SASF. It comprises of the following:

1. **Mr. Abizer Diwanji**, *Head, Financial Services, E&Y LLP (Chairperson)*
2. **Mr. Ashok Kumar**, *Founder and Managing Partner, BlackOak LLC, Advocates & Solicitors (Co-Chairperson)*
3. Two representatives of Distressed Assets Funds
4. One Financial Institution
5. One Asset Reconstruction Company
6. One Legal Expert
7. One Insolvency Professional
8. One nominee of ILA (Ex-officio)

The members of Steering Committee shall be representatives of the institutions they represent.

## TERM

The term of the Steering Committee is 2 years. The members of the subsequent terms of Steering Committee will be decided by SASF members.

## SECRETARIAL SUPPORT

Administrative and logistical support needed to carry the activities of SASF is provided by ILA. ILA Research Associate attached with SASF assist in its technical work.

# MEMBERSHIP FORM

1. Name of the Applicant (Institution) \_\_\_\_\_

\_\_\_\_\_

2. Name of Representative of Applicant \_\_\_\_\_

3. Address \_\_\_\_\_

\_\_\_\_\_

4. Address in India (if different from the above)

\_\_\_\_\_

5. Contact details (Email/ Phone Number) \_\_\_\_\_

6. Payment to be paid through bank transfer. Please mention the reference number for the same.

Details:

Account Name: Sumant Batra Insolvency Law Academy

Bank Name: Axis Bank

Account Number: 922020038885324

IFSC: UTIB0003329

Branch: Jangpura OD DL

# ILA GLOBAL ADVISORY BOARD



**JUSTICE A. K. SIKRI  
(Chairman)**  
Hon'ble Former Judge,  
Supreme Court of India,  
India



**AJITH NIVARD CABRAAL**  
Former Governor,  
Central Bank of Sri  
Lanka, Sri Lanka



**PROF. DR. BOB WESSELS**  
Emeritus Professor,  
International Insolvency  
Law, Leiden Law School,  
University of Leiden,  
The Netherlands



**PROF. CHRISTOPHER J.  
SYMES**  
Professor Emeritus,  
The University of  
Adelaide, Australia



**JAMES H.M.  
SPRAYREGEN**  
Founder Kirkland & Ellis'  
Worldwide Restructuring  
Group, USA



**DR. K.V. SUBRAMANIAN**  
Former Chief Economic  
Adviser to the  
Government of India;  
Presently, Executive  
Director, International  
Monetary Fund, USA



**DR. M.S. SAHOO**  
Distinguished Professor,  
NLU, Delhi; Former  
Chairperson, Insolvency  
and Bankruptcy Board  
of India, India



**MEIYEN TAN**  
Partner, Ascendant Legal  
LLC, Singapore



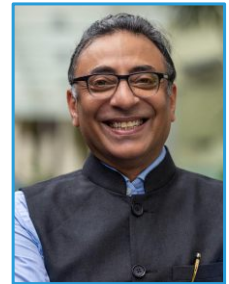
**DR. SANJEEV GEMAWAT**  
Group General Counsel,  
Vedanta Group, India



**SHELLEY C CHAPMAN**  
Former US Bankruptcy  
Judge; Senior Counsel at  
Willkie Farr & Gallagher  
LLP, USA



**PROF. SHUBHASHIS  
GANGOPADHYAY**  
Dean ISPP, Distinguished  
Professor, UPES, India



**SUMANT BATRA**  
Insolvency Lawyer,  
Founder, Insolvency Law  
Academy, India

## FOUNDER MEMBERS

