

Bankruptcy Code (Amendment) Ordinance, 2017 on 23.11.2017 to amend Insolvency and Bankruptcy Code, 2016 (the 'Code') in order to further strengthen the insolvency resolution process by prohibiting certain persons from submitting a resolution plan who, on account of their antecedents, may adversely impact the credibility of the processes under the Code. The Ordinance was replaced by The Insolvency and Bankruptcy Code (Amendment) Act, 2018 on 18.01.2018.

Further, Insolvency and Bankruptcy Board of India (IBBI) also amended IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 so as to ensure that a resolution process ends up with a credible resolution plan which maximises the value of assets of the corporate debtor.

(c) and (d) Ministry *vide* its circular no. IBC/01/2017 dated 25.10.2017 clarified that Section 30 and 31 of -the Code provide a detailed procedure from the time of receipt of resolution plan by the resolution professional to its approval by the Adjudicating Authority and there is no requirement for obtaining approval of shareholders/members of the corporate debtor during this process.

#### **Status of resolution plans after enactment of IBC Ordinance, 2017**

1951. SHRI MANISH GUPTA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the number of resolution plans submitted have reduced after coming into effect of the Insolvency and Bankruptcy Code (IBC) (Amendment) Ordinance, 2017 and the Insolvency and Bankruptcy Code (IBC) (Amendment) Act, 2018; and

(b) the exact reduction in the number of resolution plans submitted in all cases after the promulgation of the above ordinance and enactment of the above Act?

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI P. P. CHAUDHARY): (a) and (b) No, there does not seem to be any reduction in submission of resolution plans after enactment of The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2017. The said Ordinance was promulgated on 23.11.2017 to amend Insolvency and Bankruptcy Code, 2016 (Code) in order to further strengthen the insolvency resolution process by prohibiting certain persons from submitting a resolution plan who, on account of their antecedents, may adversely impact the credibility of the processes under the Code and further to make provisions to specify certain additional requirements for submission and consideration of the resolution plan before its approval by committee of creditors. The Ordinance was replaced by The Insolvency and Bankruptcy Code (Amendment) Act, 2018 on 18.01.2018.

8 (Eight) resolution plans have been approved by National Company Law Tribunal (NCLT) after coming into effect of Ordinance as compared to 5 (Five) resolution plans approved earlier.

#### **Under-reporting of vanishing companies**

1952. SHRI MAJEED MEMON: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether it is a fact that Coordination and Monitoring Committee (CMC) has been under-reporting of 'vanishing companies' all these years;

(b) if so, the number of entities declared as 'vanishing companies' and the number of companies referred and traced by the Ministry so far;

(c) the details of various companies de-registered by Registrars of Companies (RoCs) under MCA and entities in the defunct exchanges as 'vanishing companies' so far; and

(d) the steps taken by Government to revive CMC so as to keep a check on money launderers, entry operators and other unscrupulous elements?

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI P. P. CHAUDHARY): (a) and (b) No Sir. The Coordination and Monitoring Committee (CMC) has been constituted for those listed companies which had vanished after public issue during the years 1992 to 2005. Out of the 238 listed companies identified as "Vanishing Companies", due to the efforts of the Ministry and law enforcement agencies, 161 such companies have been traced and 77 more companies are still in the list of Vanishing Companies. Action under the Company law as well as Criminal law are under progress against such companies, their Directors/Promoters.

(c) The companies that were struck-off the Register under Section 248 of the Companies Act, 2013 are not listed companies at all. Therefore, they do not come under the purview of the definition of "Vanishing Companies". The Regional Stock Exchanges have been closed under the Orders of the Securities and Exchange Board of India (SEBI), which does not affect the status of the companies listed therein, except as per procedures/orders of SEBI.

(d) The Coordination and Monitoring Committee (CMC) is still active and its 30th meeting was held on 11.07.2017.

#### **Conversion of black money into white through LLP companies**

1953. SHRI ANUBHAV MOHANTY: Will the Minister of CORPORATE AFFAIRS be pleased to state: