

Need special regulatory regime for Public Private Partnerships: Whole Time Member, IBBI

Capital Market December 19, 2017 Last Updated at 11:48 IST

The Insolvency and Bankruptcy Board today sought for special regulatory regime for Public Private Partnerships (PPP), said Dr. Mukulita Vijayawargiya, Whole Time Member, IBBI said at an ASSOCHAM event.

'Regulatory institutions in need of urgent reforms and India in need of economic engineering', Dr Mukulita Vijayawargiya, Whole Time Member, Insolvency and Bankruptcy Board of India said.

Dr Mukulita Vijayawargiya, Whole Time Member, Insolvency and Bankruptcy Board of India said when asked about the personal guarantors, she said this ordinance is also an outcome of the present situation because there were resolutions applicants which themselves were defaulters. They were responsible for the situation of that company, corporate entity. If somebody is responsible for that thing and who is entitled that something, how can we again give back to that fellow? Is it ethically right or wrong...?

'I think there could be some modifications in there disability- disqualification because may be not fully but partially some modifications to improve the provisions', said Dr Vijayawargiya.

The governing body of Insolvency and Bankruptcy Board of India (IBBI) is expected to finalise broad contours for dealing with personal guarantors of defaulting entities at a meeting on Dec 19. Dr Vijayawargiya said, under the court, there is a provision for personal guarantors so naturally when we have corporatisation process it is incomplete without giving right to personal guarantors to corporates.

Dr Mukulita Vijayawargiya said, personal guarantors are individuals because there are personal guarantors to corporates and they should initiate the proceedings regarding that the meeting is scheduled.

She said that Insolvency & Bankruptcy Code has started to show results. The New Public Management System is responsible for the rise of Singapore, India needs something similar to this, said Whole Time Member, Insolvency and Bankruptcy Board of India.

Till a law is enacted to govern public private partnerships (PPP), the industry must step in with professionalism, added Dr Mukulita Vijayawargiya.

Dr. U. D. Choubey, Director General, SCOPE said while addressing the ASSOCHAM conference today, India needs a structured ownership policy for Public Sector Enterprises.

In the last five years, India has seen a decline in Public Private Partnerships, said Dr. U. D. Choubey, Director General, SCOPE.

CMA Sanjay Gupta, President, Institute of Cost Accountants of India (ICAI) said Cost of compliance may be higher, but insolvency & Bankruptcy Code has made doing business easier.

Globally there is increasing scrutiny by regulators, companies therefore need robust processes around risk, governance & compliance, said Mr. Harpreet Singh, Partner & Leader, PGRC, PwC

Mr. Singh further said, given this complex environment, companies need to build adequate safeguards in the form of robust processes around governance, risk and compliance (GRC). Traditionally, we have seen that these programmes are run in silos hence companies are not necessarily able to derive the desired benefits.

There is a need to take a holistic and integrated view of these programmes. A fully optimised and integrated GRC framework that employs tactics and tools such as continuous risk assessment and predictive analytics can alert stakeholders to potential risk related issues in a timely manner.

Powered by Capital Market - Live News