

Insolvency and Bankruptcy Board of India  
**Press Release**

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**Three-Day International Conference on Insolvency and Bankruptcy Laws: Global Response**

In association with the Insolvency and Bankruptcy Board of India (IBBI), and Delaware Law School (USA), the ICFAI Law School, Hyderabad successfully organised a three-day International Conference on “Insolvency and Bankruptcy Laws: Global Response” from 1<sup>st</sup> March, 2019 to 3<sup>rd</sup> March, 2019 at ICFAI Campus, Hyderabad.

2. While inaugurating the Conference on 1<sup>st</sup> March, 2019, Mr. Injeti Srinivas, Secretary, Ministry of Corporate Affairs stated that the Insolvency and Bankruptcy Code, 2016 (Code) is a very deep economic reform initiated in the recent years in the country and yet there is no parallel to the swift enactment and implementation of the law. Tracing the path of economic reforms in the country, he stated that some businessmen earlier had ‘vested interests’ in failing businesses, and as a result, there was no competitive spirit among the entrepreneurs. The Code has introduced competition for entrepreneurship and capital. It encourages entrepreneurs to compete with one another to utilise the resources locked up in inefficient or defunct firms. Mr. Srinivas further stated that about 4000 applications for initiation of corporate insolvency resolution process were withdrawn before their admission indicating early settlement of default by corporate debtors. The addition to NPAs and overall level of NPAs in the banking system has started declining, he added. The Code has brought discipline in the economic system and has proved to be the most successful law after independence. He commended the performance of NCLT in disposal of matters, both in terms of quality and quantity. While appreciating the performance of insolvency professionals, Mr. Srinivas hoped that the Graduate Insolvency Programme (GIP) conceived by the IBBI and to be delivered by the Indian Institute of Corporate Affairs would bring more efficiency in to the system.

3. Dr. M. S. Sahoo, Chairperson, IBBI, who was the Guest of Honour at the event stated that competition and innovation are modern drivers of growth. Efficient firms drive out inefficient firms in competition. New order drives out old order in innovation. A firm in a market economy fails mostly on account of competition and innovation. Thus, the higher the level and intensity of competition and innovation, the higher is the level and growth of the economy, and the higher is the incidence of failure. He pointed out that the greatest economic success, in fact, comes from freedom from failure. Therefore, wherever a firm fails, it needs to be rescued with or without the entrepreneur or promoter, he said. If rescue is not possible, the resources, including entrepreneur, of the firm must be released for alternate uses. The Code provides a market mechanism to rescue a failing firm, wherever possible, and liquidate it, wherever necessary, and thereby releases the resources and entrepreneur from the *chakravyuha*.

4. In the conference, 40 research papers covering entire gamut of insolvency and bankruptcy legal framework and ecosystem were presented. The technical sessions covered various themes such as Insolvency Law: Conceptual Contours; Insolvency and Bankruptcy Law: Emerging Jurisprudence; Cross Border Insolvencies: A Road Map; Insolvency Resolution and Regulatory Mechanism; Corporate Insolvency and Adjudication Mechanism; Insolvency Professionals: A Way Forward;

Liquidation of Going Concern Companies: Future Perspectives; etc. The panel discussions covered: Insolvency Law: Economic and Social Perspectives; Cross Border Insolvencies: Challenges; Institutional Insolvency: Stakeholders Concern; Information Utilities and Valuation Professionals; etc.

5. Ms. Sobha Rani Yasarwy, Chairperson, ICFAI Society; Prof. J. Mahender Reddy, Vice Chancellor, The ICFAI Foundation for Higher Education; Prof. A. V. Narsimha Rao, Director, ICFAI Law School; Prof. Charles Scott Pyror, Norman Adrian Wiggins School of Law, USA; Dr. Hamisi Junior Nsubuga, School of Law, Middlesex University, London; Dr. Mamta Suri, Executive Director, IBBI; and other distinguished researchers and professionals shared their thoughts at the Conference.