

**Press Release**

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**IBBI-IGIDR Insolvency and Bankruptcy Reforms Conference on 3<sup>rd</sup>-4<sup>th</sup> August, 2018**

The Hon'ble Minister of State for Law and Justice & Corporate Affairs, Mr. P. P. Chaudhary inaugurated two-day 'Insolvency and Bankruptcy Reforms Conference' on 3<sup>rd</sup> August, 2018 at New Delhi, jointly organized by the Insolvency and Bankruptcy Board of India (IBBI) and the Indira Gandhi Institute of Development Research (IGIDR). The Conference took stock of the progress in the implementation of the Insolvency and Bankruptcy Code, 2016 (Code) and deliberated upon the emerging issues and challenges. It featured a number of panel discussions as well as presentations of research papers covering various dimensions of the Indian insolvency and bankruptcy reform. The key stakeholders - Government, Regulators, Adjudicating Authority, Insolvency Professionals, Insolvency Professional Agencies, Advocates, Asset Reconstruction Companies, Stressed Asset Funds, Academicians and Researchers participated in the Conference and critically analyzed the working of the Code and its outcome so far and its incentive effects to the development of the ecosystem.

2. While inaugurating the Conference, the Hon'ble Minister expressed satisfaction with the speed of implementation of the Code as well as the outcome so far. He stated that in less than two years, the Code has proved to be a game changer and has brought in deep behavioural changes among the key stakeholders, particularly debtors and creditors. He further stated that the Government has promulgated two Ordinances to amend the Code in the last one year to ensure sustainable resolution through resolution applicants having credible track record, to promote resolution over liquidation and balance the interests of stakeholders. It has also taken several other measures through amendments in the Companies Act, 2013; the Income-tax Act, 1961; etc.; and remains committed to take further measures as may be required to address the emerging challenges and issues expeditiously. The Hon'ble Minister further stated that deep institutional reforms initiated by this Government have improved ease of doing business considerably. The country has made several economic leaps over the last four years. India has overtaken France to become the 6<sup>th</sup> largest economy this year and is sure to make it to the top 5 economies in the coming year.

3. While speaking on the occasion, Mr. Injeti Srinivas, Secretary, Ministry of Corporate Affairs stated that the Code is a very deep economic reforms initiated in the recent years and yet there is no law which has been enacted and implemented so swiftly. Government is closely monitoring the working of the Code and refining it expeditiously based on learning. Mr. Srinivas allayed certain misgivings surrounding the working of the Code. A relatively larger number of firms ending up in liquidation is natural in the initial days of the implementation of the Code as the firms which were into BIFR or not going concerns for years came up for resolution as soon as the Code was enacted. This also explains relatively low realisations by creditors from insolvency process. The realization is low as compared to outstanding claims while it is attractive as compared to liquidation value. He further stated that Government is augmenting capacity at NCLT for quicker disposal of matters.

4. Dr. M. S. Sahoo, Chairperson, IBBI in his address stated that the countries with high level of economic freedom perform better as compared to the countries with relatively lower level

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of economic freedom. He stated that provision of economic freedom unleashes and realizes full potential of every person and resources available at the disposal of any economy and thereby promotes inclusive growth. He urged the academicians, researchers and professionals to build institutional capacity to deal with economic freedom. He stated that the Code is a unique piece of law that deals with both market processes and professionals. In this context, he touched upon the proposed Graduate Insolvency Programme (GIP) under conceptualisation to produce world class insolvency professionals.

5. Mr. Justice M. M. Kumar, President, National Company Law Tribunal; Mr. Justice Kannan Ramesh, Judge, Supreme Court of Singapore; Mr. Subhash Chandra Garg, Secretary, Department of Economic Affairs; Mr. Rajnish Kumar, Chairman, State Bank of India; Mr. Gyaneshwar Singh, Joint Secretary, Ministry of Corporate Affairs; Dr. Shashank Saxena, Economic Adviser, Department of Economic Affairs; Mr. Montek Singh Ahluwalia, Former Deputy Chairman, Planning Commission; Mr. A. S. Chandiok, Senior Advocate; Dr. Ajay Shah, Professor, National Institute for Public Finance and Policy; Dr. Susan Thomas, Professor, IGIDR; Mr. Suman Batra, President, SIPI; Mr. P. R. Ramesh, Chairman, Deloitte India; Mr. Somasekhar Sundaresan, Advocate; Mr. Shuva Mandal, General Counsel, Tata sons; Mr. Anurag Das, Balckstone Group and many other eminent policy makers, economists, researchers, professionals and other stakeholders shared their thoughts at the Conference.

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