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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"All our dreams can come true if we have the courage to pursue them."

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➤ **Need to encourage innovation in IBC: Bankruptcy board chairperson**

Insolvency and Bankruptcy Code (IBC) has transformed the relationship between lenders, borrowers, promoters, and creditors, according to Ravi Mital, chairperson of the Insolvency and Bankruptcy Board of India (IBBI).

Speaking at the CII Insolvency and Bankruptcy Code Conference in Delhi on Thursday, Mital highlighted the importance of innovation when implementing resolution processes.

Mital cited recent cases that showcased how the current regulations have facilitated the resolution of insolvency cases while maximizing value. He also emphasized the need for transparency and warned against over-regulation, which could undermine the Code's objectives. Mital further noted that a one-size-fits-all approach is not applicable to resolution processes.

The success of the IBC should be measured by the number of resolutions rather than the total amount realized, Mital suggested, pointing to numerous post-resolution success stories that demonstrate the Code's superiority over previous legislation.

Source: Mint

Read Full news at: <https://www.livemint.com/news/india/need-to-encourage-innovation-in-ibc-bankruptcy-board-chairperson-11681389287877.html>

➤ **IBC changes to focus on stability of regime**

The government won't extend the insolvency regime to new sections of the economy, but will work to stabilise the current corporate insolvency framework with necessary legislative and administrative changes, a senior official told FE.

The ministry of corporate affairs (MCA) is planning to take introduce amendments to the Insolvency and Bankruptcy Code in the Monsoon Session of Parliament, with this objective in mind.

The IBC changes with regard to real estate insolvencies would ensure that there is no misuse of provisions. The MCA would hold consultations with the Real Estate Regulatory Authority over the proposed amendments. "We have to ensure that the proposals don't turn into an incentive for real estate developers (for asset stripping)," said the official

Source: Financial Express

Read Full news at: <https://www.financialexpress.com/industry/ibc-changes-to-focus-on-stability-of-regime/3046270/>

➤ **Government plans to introduce bills to amend companies, insolvency laws in Parliament's monsoon session**

The IBC, which came into force in 2016, provides for a market-linked and time-bound resolution of stressed assets. It has already undergone various amendments. On January 18, the ministry proposed a raft of changes to the IBC, including fast-tracking the process, expanding the scope of the pre-packaged framework and developing an electronic platform with minimal human interface.

India is looking to offer pre-packaged insolvency resolution process (PIRP) to bigger companies as part of large-scale changes to the Insolvency and Bankruptcy Code likely in the Monsoon session of Parliament.

A bill to amend the Companies Act could also be introduced in the same session, a senior government official said. The session is likely to commence in late July or August.

The changes to the IBC will be based on the discussion paper floated by the ministry of corporate affairs in January which mooted Fast Track Corporate Insolvency (FIRP) through which corporate debtors of a company can choose to opt for a resolution process outside the judicial process.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/news/economy/policy/govt-plans-to-introduce-bills-to-amend-companies-insolvency-laws-in-parliaments-monsoon-session/articleshow/99468188.cms>

➤ NCLT extends deadline for Future Retail insolvency proceedings

The National Company Law Tribunal (NCLT) has granted an extension of 90 days to complete the bankruptcy proceedings of Future Retail Ltd (FRL). The lenders of debt-ridden FRL had sought extension for concluding the Corporate Insolvency Resolution Process (CIRP) of the Kishore Biyani-promoted company. The new deadline to complete the resolution process is July 15.

NCLT on April 13, 2023, heard the application and granted the said extension of 90 days from CIRP of FRL and consequent extension for completion of CIRP till July 15, 2023,” said FRL in a regulatory filing to the Bombay Stock Exchange on Friday.

The resolution process has gained momentum once again after seeing muted response from bidders earlier. Several firms, including Reliance Retail, JC Flowers, Jindal Power, and UK-based travel retailer WH Smith Travel have expressed their interest to acquire the debt-ridden company. FRL, on Monday, announced that 49 firms have submitted expressions of interest (EoIs) to buy assets of the company.

Source: The New Indian Express

Read Full news at: <https://www.newindianexpress.com/business/2023/apr/15/nclt-extends-deadline-for-future-retail-insolvency-proceedings-2566138.html>

