



Bankrupt

SEMINAR ON INSOLVENCY AND BANKRUPTCY CODE, 2016 AN OUTLINE

“Bankruptcy no longer has the stigma it once had. Now it’s almost considered wise, a way to regroup and come back again”

- David Dinkins

It took the **Indian Government** a span of **31 years** to formulate a framework in line with the above idea. On **May 28, 2016** the **Government of India** implemented and gazetted the much needed **Insolvency and Bankruptcy Code, 2016**. The new law provides for **provisions** to **override other existing laws** on matters pertaining to Insolvency and Bankruptcy.

With the objective of educating the young management trainees about the legal framework, **Department of Management Studies, Aryabhata College**, organised a special seminar on **Insolvency and Bankruptcy Code, 2016**. The seminar took place on **February 27, 2019** in Room N5 in the college premises.

The keynote speaker for the seminar was **Mr. Vivek Tyagi**, who is a **Research Associate** from **CUTS Institute of Regulation & Competition**. At the commencement of the program, **Dr. J.K. Singh, Course Coordinator** of **BMS** greeted the audience and presented a **plantlet**. He also highlighted the audience relevance of the essence in **Ease of Business**. He provided an overview of the developments in the period **2016** to **2018**.



Singh, Course Coordinator cordially greeted the audience and presented a **plantlet**. He also highlighted the audience relevance of the essence in **Ease of Business**. He provided an overview of the developments in the period **2016** to **2018**.

Mr. Vivek started off with the **previous structure** followed in the **Indian System** to deal with firms filing for bankruptcy. He gave a **comprehensive** view on **SICA (Sick Industrial Companies (Special Provisions) Act, 1985)**. He informed that SICA was formed in **compliance with fall of various domestic industries** during that time like handloom etc. He also discussed the **shortcomings** of SICA on how it was a time taking procedure following **Debtors-in-possession principle**.

Mr. Vivek **enlightened** the participants and provided **exhaustive** replies to the following queries which arose in the mind of the participants:

- How **IBC, 2016** provides for various measures before a company can proceed to the final step of bankruptcy E.g. **CDR (Corporate Debt Restructuring), Bilateral Restructuring** etc.?
- How has **IBC, 2016** been able to **strengthen Creditors Rights** by shifting to the principle of **Creditors-in-possession?**
- How similar bankruptcy laws worldwide have delivered **positive economic impacts?**
- **Institutional Ecosystem of IBC, 2016 (IBBI, IUs, IPs, Adjudicating Authority, IPA)**
- How the government **protects** the creditors by reversing the order of Debt Clearance (**Secured Creditors → Employees → Unsecured Creditors → Government**)?
- How has implementation of **IBC, 2016** led to greater debt recovery percentage from **26% before** and **48% after** and Comparison of **IBC, 2016; SICA, 1985; UK Insolvency Act, 1986; US Bankruptcy Reform Act, 1978?**
- How **IBC, 2016** helped India **escalate** its **Ease of Doing Business Ranking** from **134** in **2014** and **100** in **2017 (Currently at 77)?**
- How **IBC, 2016** provides for timely **processing of application (180+90 days)** and follows easy methodology for the firms?

The seminar appreciated by was in the light scam menace financial firms. The concluded Singh offered a to our guest Singh expressed our **Principal, Dr.** giving his seminar and of necessary orderly conduct



was the students as it of the ongoing and veiling of information by seminar after Dr. J.K. **Vote of Thanks** speaker. Dr. J.K. his gratitude to **Manoj Sinha**, for approval for the assuring all kind support for the of the seminar.

Report by:

Tushar Agnihotri

Curated by:

Dr. J. K. Singh

Course Coordinator, BMS