

“Insolvency and Bankruptcy Code (IBC), 2016 a “game changer reform”- Shri Piyush Goyal

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- **India’s rank in ‘Resolving Insolvency’ indicator in World Bank’s Ease of Doing Business Report sees a meteoric rise of 84 places, says Shri Goyal**
- **IBC an effective deterrent against unscrupulous borrowers: Shri Goyal**
- **Minister addresses 5th Foundation Day of Indian Institute of Insolvency Professionals of ICAI.**

The Union Minister of Commerce & Industry, Consumer Affairs & Food & Public Distribution and Textiles, Shri Piyush Goyal has termed the Insolvency and Bankruptcy Code (IBC), 2016 as a “game changer reform” that has been the most successful law in insolvency resolution in the country. Addressing the 5th Foundation Day function of the Indian Institute of Insolvency Professionals of ICAI (IIPI) here today, he hoped the faster Insolvency Resolution enabled by the IBC will eventually pave the way for banks to bring down the ‘Cost of Credit’.

“Since the enactment of IBC, India’s rank in ‘Resolving Insolvency’ indicator in World Bank’s Ease of Doing Business Report has seen a meteoric rise of 84 places! Our recovery rate has also dramatically improved from 26 (cents on dollar) to 71.6 (cents on dollar),” he said.

Shri Goyal said the IBC has brought about a marked shift in attitudes of lenders & borrowers, acting as an effective deterrent against unscrupulous borrowers and imparted banks the tool to follow due diligence and confidence about recovery.

The Minister said, in view of the Covid crisis, the Government suspended the IBC for a year, from March, 200 to March, 2021. “This helped India bounce back much faster. The economy is doing well and five years down the line the outlook looks very, very bright.”

Shri Goyal said the IIPI members are serving the nation’s interest by saving businesses and entrepreneurship in the country. “This has a big impact on ‘Saving Jobs and Reviving companies’ and by creating new banking opportunities.”

Stating that the IIPI being the largest body of such professionals in the country, it has a fiduciary duty cast on its members and has a three-pronged roles to play, - legislative, executive and quasi-judicial. The Minister listed out five guiding principles for Insolvency professionals, - Integrity, Objectivity, Competency, Confidentiality and Transparency. He called upon the CAs to use technology in resolution of bad loans, look at new innovative ideas and set benchmarks.