



INTERNATIONAL JOURNAL FOR LEGAL RESEARCH AND ANALYSIS

Open Access, Refereed Journal Multi Disciplinary
Peer Reviewed Edition :

www.ijlra.com

DISCLAIMER

No part of this publication may be reproduced or copied in any form by any means without prior written permission of Managing Editor of IJLRA. The views expressed in this publication are purely personal opinions of the authors and do not reflect the views of the Editorial Team of IJLRA.

Though every effort has been made to ensure that the information in Volume 2 Issue 7 is accurate and appropriately cited/referenced, neither the Editorial Board nor IJLRA shall be held liable or responsible in any manner whatsoever for any consequences for any action taken by anyone on the basis of information in the Journal.

Copyright © International Journal for Legal Research & Analysis

IJLRA

EDITORIAL TEAM

EDITORS



Megha Middha

Megha Middha, Assistant Professor of Law in Mody University of Science and Technology, Lakshmangarh, Sikar

Megha Middha, is working as an Assistant Professor of Law in Mody University of Science and Technology, Lakshmangarh, Sikar (Rajasthan). She has an experience in the teaching of almost 3 years. She has completed her graduation in BBA LL.B (H) from Amity University, Rajasthan (Gold Medalist) and did her post-graduation (LL.M in Business Laws) from NLSIU, Bengaluru. Currently, she is enrolled in a Ph.D. course in the Department of Law at Mohanlal Sukhadia University, Udaipur (Rajasthan). She wishes to excel in academics and research and contribute as much as she can to society. Through her interactions with the students, she tries to inculcate a sense of deep thinking power in her students and enlighten and guide them to the fact how they can bring a change to the society

Dr. Samrat Datta

Dr. Samrat Datta Seedling School of Law and Governance, Jaipur National University, Jaipur. Dr. Samrat Datta is currently associated with Seedling School of Law and Governance, Jaipur National University, Jaipur. Dr. Datta has completed his graduation i.e., B.A.LL.B. from Law College Dehradun, Hemvati Nandan Bahuguna Garhwal University, Srinagar, Uttarakhand. He is an alumnus of KIIT University, Bhubaneswar where he pursued his post-graduation (LL.M.) in Criminal Law and subsequently completed his Ph.D. in Police Law and Information Technology from the Pacific Academy of Higher Education and Research University, Udaipur in 2020. His area of interest and research is Criminal and Police Law. Dr. Datta has a teaching experience of 7 years in various law schools across North India and has held administrative positions like Academic Coordinator, Centre Superintendent for Examinations, Deputy Controller of Examinations, Member of the Proctorial Board



Dr. Namita Jain



Head & Associate Professor

School of Law, JECRC University, Jaipur Ph.D. (Commercial Law) LL.M., UGC -NET Post Graduation Diploma in Taxation law and Practice, Bachelor of Commerce.

Teaching Experience: 12 years, AWARDS AND RECOGNITION of Dr. Namita Jain are - ICF Global Excellence Award 2020 in the category of educationalist by I Can Foundation, India. India Women Empowerment Award in the category of "Emerging Excellence in Academics by Prime Time & Utkrisht Bharat Foundation, New Delhi.(2020). Conferred in FL Book of Top 21 Record Holders in the category of education by Fashion Lifestyle Magazine, New Delhi. (2020). Certificate of Appreciation for organizing and managing the Professional Development Training Program on IPR in Collaboration with Trade Innovations Services, Jaipur on March 14th, 2019

Mrs.S.Kalpana

Assistant professor of Law

Mrs.S.Kalpana, presently Assistant professor of Law, VelTech Rangarajan Dr. Sagunthala R & D Institute of Science and Technology, Avadi. Formerly Assistant professor of Law, Vels University in the year 2019 to 2020, Worked as Guest Faculty, Chennai Dr.Ambedkar Law College, Pudupakkam. Published one book. Published 8 Articles in various reputed Law Journals. Conducted 1 Moot court competition and participated in nearly 80 National and International seminars and webinars conducted on various subjects of Law. Did ML in Criminal Law and Criminal Justice Administration. 10 paper presentations in various National and International seminars. Attended more than 10 FDP programs. Ph.D. in Law pursuing.



Avinash Kumar



Avinash Kumar has completed his Ph.D. in International Investment Law from the Dept. of Law & Governance, Central University of South Bihar. His research work is on "International Investment Agreement and State's right to regulate Foreign Investment." He qualified UGC-NET and has been selected for the prestigious ICSSR Doctoral Fellowship. He is an alumnus of the Faculty of Law, University of Delhi. Formerly he has been elected as Students Union President of Law Centre-1, University of Delhi. Moreover, he completed his LL.M. from the University of Delhi (2014-16), dissertation on "Cross-border Merger & Acquisition"; LL.B. from the University of Delhi (2011-14), and B.A. (Hons.) from Maharaja Agrasen College, University of Delhi. He has also obtained P.G. Diploma in IPR from the Indian Society of International Law, New Delhi. He has qualified UGC - NET examination and has been awarded ICSSR - Doctoral Fellowship. He has published six-plus articles and presented 9 plus papers in national and international seminars/conferences. He participated in several workshops on research methodology and teaching and

learning.

ABOUT US

INTERNATIONAL JOURNAL FOR LEGAL RESEARCH & ANALYSIS

ISSN

2582-6433 is an Online Journal is Monthly, Peer Review, Academic Journal, Published online, that seeks to provide an interactive platform for the publication of Short Articles, Long Articles, Book Review, Case Comments, Research Papers, Essay in the field of Law & Multidisciplinary issue. Our aim is to upgrade the level of interaction and discourse about contemporary issues of law. We are eager to become a highly cited academic publication, through quality contributions from students, academics, professionals from the industry, the bar and the bench. INTERNATIONAL JOURNAL FOR LEGAL RESEARCH & ANALYSIS ISSN 2582-6433 welcomes contributions from all legal branches, as long as the work is original, unpublished and is in consonance with the submission guidelines.

THE IBC REVOLUTION - REDEFINING THE INDIAN ECONOMY

AUTHORED BY - ARJUN BAHL

Abstract:

This paper explores how the Insolvency and Bankruptcy Code (IBC), 2016 has changed the financial environment in India, with a special emphasis on the Corporate Insolvency Resolution Process (CIRP). With the goals of protecting investors, promoting entrepreneurship, and streamlining insolvency and liquidation procedures in India, the IBC evolved as a complete regulatory framework. Analysis of the IBC's effects on the banking industry highlights increased non-performing loan recovery, moral lending practices, and heightened creditor trust. Though there are still issues with its application and interpretation, it has completely changed the financial sector. The study also looks at cross-border insolvency issues in the Indian setting and criticizes the present strategy, which veers between universalism and territorialism. It highlights the necessity of harmonization and international cooperation. Despite the IBC's accomplishments, it emphasizes flaws including the backlog at NCLT and worries about corporate "haircuts." The outcome of the research emphasizes the necessity of ongoing revisions to preserve the IBC's efficacy and efficiency in handling insolvencies and bankruptcy in India.

Introduction:

Herb Kohl once said, "Bankruptcy is a serious decision that people have to make." The problem of insolvency has plagued India for many years. When performing the insolvency resolution proceedings in India, many overlapping laws were in use. The process for realizing assets, taking possession of property, and satisfying debt obligations was different under each statute. The overlapping statutes led to uncertainty throughout the insolvency and liquidation proceedings. The creation of a comprehensive insolvency regulatory framework was necessary to address this issue.¹

¹ Rastogi A (CORPORATE RESTRUCTURING AND INSOLVENCY: CRITICAL ANALYSIS OF LAWS IN INDIA)

The early 2000s to 2008 saw a golden period for the Indian economy. Banks, particularly those in the public sector, made significant loans to businesses during this time. However, as the global economy slowed, profits from different groups were stolen. This had an adverse effect on the ability of these businesses to repay their loans. Prior to the passing of the IBC, 2016 the mechanism that governed the recovery of bad loans were legislations such as the SARFAESI Act, 2002 and the Companies Act, 2013.²

The Insolvency and Bankruptcy Code, 2016 was introduced in the Lok Sabha in December 2015, and thereafter became effective in December 2016. The concept of doing business, protecting investors, and liquidating a company was often considered to be a long-drawn and complicated process. It was with the intention of streamlining the process related to liquidation that the IBC, 2016 was passed. Further, it was intended to protect the interest of investors and make the process of conducting business easier. In order to provide fair talks between debtors and creditors by addressing the asymmetry of debt and default information, it was designed to streamline and simplify the insolvency and bankruptcy proceedings in India.³ While the enactment of the Code was seen as a step in the right direction, there have been several deliberations regarding the adequacy of the Code. The adequacy of the Code to deal with the current problems faced by businesses and thereby safeguard the interests of debtors and creditors is to be adjudged. The enactment of the said Code has been met with resistance by some who question the competency of the Code and therefore believe that certain modifications should be made.

Corporate Insolvency Resolution Process:

The recovery mechanism that has been curated for creditors is known as “Corporate Insolvency Resolution Process (CIRP). Insolvency proceedings may be initiated by either the financial creditor, operational creditor, or the company itself to determine whether the corporation against whom such proceedings have been initiated is capable of repaying the debt or not. An officer known as the insolvency resolution professional (IRP) is appointed to evaluate the assets and liabilities of the company and thereby determine the capacity of the company to repay its debts and comply with other financial obligations.⁴ The process related to corporate insolvency is

² Aaditya.bhatt, ‘Historical Evolution of IBC’ (Bhatt & Joshi Associates, 10 February 2022) <https://bhattandjoshiassociates.com/the-insolvency-and-bankruptcy-code-2016/> accessed 10 October 2023

³ Ibid

⁴ (Corporate insolvency resolution process - indiafilings) <https://www.indiafilings.com/learn/corporate-insolvency-resolution-process/> accessed 1 November 2023

encompassed within sections 7 to 32 of the IBC. Some of the key terms related to CIRP are as follows:

- Financial Creditor
- Operational Creditor
- Corporate Debtor
- The Committee of Creditors (CoC)
- Insolvency Resolution Professional (RP)

Impact of the IBC on CIRP:

Pursuant to the IBC's sections 7 and 9, it is not required to give the corporate debtor a chance to be heard before the acceptance of the IBC application. The management team is moved to the RP that the applicant has suggested when the IBC application is approved. This indicates that even a minor default may result in a scenario where the business is transferred. Debts are retrieved by creditors from the insolvent corporation; some creditors also apply leverage on corporate debtors to retrieve their claims by using the IBC. Businesses have been affected by this since it raises pressure on profitability and adds to the strong demand for capital investment. A major modification to the IBC permits an operational creditor to pursue legal action under the code to efficiently recover their debts.⁵

A fast-track procedure for insolvency resolution is outlined in Chapter IV, Part II of the Code, and it applies to the class of corporate debtors specified in section 55(2) of the Code. The goal is to cut the time needed for insolvency resolution in half when compared to the typical Code procedure and to speed up the CIRP for new and small enterprises. After the IBC was put into effect, the average time to resolve insolvency decreased from 4.3 years to 1.6 years between 2017 and 2020.⁶ In November 2016, the Board published regulations pertaining to the CIRP. The 2016 Code permits the earliest possible start of a CIRP and requires its timely conclusion. Unlike other processes where a 180-day period is allowed, this one must be finished in 90 days. The Committee of Creditors (COC) must consent before the adjudicating body can prolong the period by more

⁵ ArjunRathod, 'Understanding the Corporate Insolvency Resolution Process (CIRP) and Liquidation Process under the Insolvency and Bankruptcy Code (IBC) 2016' (*Bhatt & Joshi Associates*, 4 September 2023) <https://bhattandjoshiassociates.com/understanding-the-corporate-insolvency-resolution-process-cirp-and-liquidation-process-under-the-insolvency-and-bankruptcy-code-ibc-2016/> accessed 1 November 2023

⁶ 'Committee Reports' (*PRS Legislative Research*, 6 November 2023) <https://prsindia.org/policy/report-summaries/implementation-of-insolvency-and-bankruptcy-code-pitfalls-and-solutions> accessed 6 November 2023

than 45 days.⁷ The winding-up process is initiated under section 33 of the Insolvency and Bankruptcy Code 2016 if no resolution plan is presented, if the resolution plan is inconsistent with the provisions of the IBC 2016, or if the corporate debtor refuses to abide by the resolution plan approved by the adjudicating authority. The same conditions apply if a request for the corporate debtor's liquidation is made by the committee of creditors.⁸

The bankruptcy and insolvency procedure in India has undergone an evolutionary change as a result of the Insolvency and Bankruptcy Code (IBC) of 2016. Its purpose is to harmonize and modify the legislation concerning the time-bound reorganization and insolvency resolution of individuals, partnership firms, and corporate entities. The key objectives of the IBC include encouraging entrepreneurship, maximizing asset value, providing financing, and balancing the interests of all parties concerned. To oversee the insolvency process, the Insolvency and Bankruptcy Board of India (IBBI) was established along with the National Company Law Tribunal (NCLT), which serves as the adjudicating authority and is essential to the insolvency resolution and liquidation process. India's perspective on bankruptcy and insolvency has undergone a significant change since the IBC was implemented.⁹

Amendments to the IBC that have influenced the CIRP:

The IBBI (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2023 ("CIRP Amendment Regulations"), which amend the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations") under the Insolvency & Bankruptcy Code, 2016 ("IBC"), were notified by the Insolvency and Bankruptcy Board of India ("IBBI") on September 18, 2023.¹⁰ Some of the key amendments are as follows:

- Section 29A delineates the qualifications that prospective bidders in a corporate insolvency resolution procedure (CIRP) must meet. In certain cases, the scope of Section 29A might have been excessively broad, potentially resulting in the inadvertent exclusion of certain technically proficient bids.¹¹

⁷ (n,6)

⁸ (n,6)

⁹ (n,5)

¹⁰ 'Amendments to the Corporate Insolvency Resolution Process' (JSA) <https://www.jsalaw.com/newsletters-and-updates/amendments-to-the-corporate-insolvency-resolution-process/> accessed 4 November 2023

¹¹ 'Major Amendments Introduced to the Insolvency and Bankruptcy Code' (azb, 28 September 2021) <https://www.azbpartners.com/bank/major-amendments-introduced-to-the-insolvency-and-bankruptcy-code/> accessed 4 November 2023

- According to the Ordinance, a CIRP proceeding may be withdrawn if 90% of the CoC agrees to do so. However, this withdrawal will only be allowed until the resolution specialist explicitly invites interested bidders to submit resolution ideas.¹²
- According to the IBC, 75% of the CoC by value must vote on any decision made by the CoC. For significant choices like: (i) requesting an extension of the CIRP period from 180 to 270 days; (ii) replacing an interim resolution professional or resolution professional, and (iii) accepting a resolution plan, the voting threshold has been lowered from 75% to 66% by the Ordinance. The voting threshold for other regular matters has been lowered to 51%.¹³
- According to the IBC, a company has the authority to start a voluntary (CIRP). The individuals who can do this are as follows: (i) the corporate debtor; (ii) a shareholder who has been given specific authorization to do so in the company's articles; (iii) directors and key employees; and (iv) the chief financial officer. A special resolution of shareholders is now required under the Ordinance in order to file for a CIRP.¹⁴

The amendments increased the obligations of the RP to verify the asset list of the corporate debtor with the financials of the company and to bear the responsibility of forgiving the delay in filing stakeholder claims (rather than the creditor itself); permitted members of the committee of creditors ("CoC") to request an audit of the corporate debtor at a cost included in the CIRP costs (if approved by the CoC); relaxed the timeline for submitting claims for stakeholders. Assistance was provided to the NCLTs by requiring additional details in a CIRP application.¹⁵ By recognizing a balance between the IBC's mandate and the reality on the ground, the CIRP Amendment Regulations aim to fill in the gaps and streamline the insolvency process, as indicated by stakeholders. These modifications bring about a welcome shift to the current system, with improved checks and balances that are a step in the right direction.

Impact On The Banking Sector:

In the Indian banking industry, the IBC has had a profound impact, drastically altering the environment surrounding debt relief and financial stability. This all-encompassing law sought to improve creditor rights, expedite the settlement of distressed assets, and streamline bankruptcy

¹² Ibid

¹³ Ibid

¹⁴ (n,10)

¹⁵ (n,9)

procedures. The implementation of the IBC has enabled banks to effectively recover non-performing loans and lessen their toxic asset burden by offering a more efficient framework for debt collection. Additionally, it has promoted ethical lending practices and given borrowers a sense of discipline. However, difficulties putting it into practice and changing legal interpretations have brought up important questions that still influence the dynamics of the industry.

Lending in India has been inhibited by the rise of non-performing assets (NPAs) in the banking sector and other financial institutions, especially among public sector banks. Consequently, to assist the Indian economy, the IBC was passed. The recently passed Code calls for a formal insolvency resolution procedure (IRP) for businesses, which might involve finding an expedited liquidation or developing a viable survival strategy. Due to this, the updated Code might substantially cut down the total number of long-pending cases while also guaranteeing that different banks handle NPA situations more swiftly. Indian lenders, both secured and unsecured creditors, would receive more support from the IBC. Section 14 of the statute mandates that the Adjudicating Authority issue an order imposing a 180-day freeze on all pending processes in order to start the insolvency resolution process. Except the liquidation process, the stay on pending cases forbids the execution of decrees and judgments as well as the transfer, encumbering, alienation, or disposal of the assets of corporate debtors. Nonetheless, the Act does not cover transactions that the Central Government notifies in association with any regulator of the financial industry. This section of the law also prohibits providing the corporate debtor who is not to be terminated with necessary goods or services.¹⁶

Prior to the IBC, lenders were reluctant to provide money due to the lack of an effective resolution framework, raising doubts about their ability to recover the debt. This led to a decrease in the amount of credit available and, consequently, fewer financially feasible projects. The culture of not paying back loans and getting away with it had to change. Without IBC, the borrower would not have much of an incentive to repay. Banks received 42.5 percent of the total amount filed under the IBC in the 2018–19 fiscal year; by contrast, 14.5 percent went through the SARFAESI resolution process, 3.5 percent went through Debt Recovery Tribunals, and 5.3 percent went through Lok Adalats. In contrast to claims of Rs 1.66 lakh crore, the recovery under

¹⁶ Rajpal V, 'IBC and Its Impact on the Banking Sector' (*Black n' White Journal*, 23 November 2021) <https://bnwjournals.com/2021/11/23/ibc-and-its-impact-on-the-banking-sector/> accessed 6 November 2023

the IBC was Rs 70,819 crore.¹⁷ The banking industry in India has seen significant changes since the IBC was implemented. It has decreased non-performing assets, expedited the resolution process, and enhanced creditor confidence. It is necessary to compare it with bankruptcy laws in other nations in order to comprehend its efficacy on a deeper level.

Cross-Border Insolvency:

The insolvency laws in some countries prioritize promoting international collaboration, while others work to obstruct it in favor of their domestic laws that are seen to be infallible. These methods are comparable to the broad notions of territorialism and universalism that have historically been applied to explain how courts operate in global insolvency processes. The Model Laws have not been included in India's insolvency code. Rather, it still relies on its domestic insolvency laws and common law to deal with cross-border insolvency matters. Indian courts are only permitted to acknowledge and uphold foreign decisions in accordance with the Indian Code of Civil Procedure (CPC). The judgment of a foreign court does not automatically become recognized because it originates from a superior court in a "reciprocating territory." Furthermore, although UNCITRAL permits foreign delegates to make decisions, the CPC's restrictions prevent the recognition of such decisions.¹⁸

Cross-border insolvency issues can be addressed using two provisions of the IBC: Section 234(1) and Section 235(2). In order to resolve and implement the IBC's provisions, the Indian government is required by these sections to engage in a bilateral agreement with the foreign government. The Indian and foreign governments must engage in protracted negotiations to reach this bilateral accord. In addition, the foreign party must make an application with the Indian court; the recognized foreign proceeding will be governed by the common law and the CPC. A lack of collaboration in simultaneous insolvency processes in the Netherlands and India gave rise to complications in the case of *Jet Airways Limited v. State Bank of India & Anr.*¹⁹ Dutch trustees were consequently granted permission to take part in and assist with the process of developing a debt payback plan. This was the first international bankruptcy case under the IBC.²⁰

¹⁷ Ibid

¹⁸ May 5 2023, 'Comparing Cross-Border Insolvency in the United States and India' (*International and Comparative Law Review*, 21 October 2023) <https://international-and-comparative-law-review.law.miami.edu/comparing-cross-border-insolvency-in-the-united-states-and-india/> accessed 6 November 2023

¹⁹ Company Appeal (AT) (Insolvency) No. 707 of 2019

²⁰ (n,17)

The way India handles cross-border insolvency appears to fall somewhere between modified universalism and territorialism. India's refusal to ratify the Model Laws preserves the independence of its legal system and the judges' discretion. By doing this, India can safeguard small businesses from claims made by global corporations while also prioritizing its residents. However, it would be ignorant to not consider the drawbacks of the Indian approach. Doing business in India is discouraged for foreign investors because of the preferential protection afforded to local creditors and the unpredictable nature of the judicial discretion to recognize foreign judgments. Furthermore, because of the distance between foreign jurisdictions and India, there is a longer learning curve and more expensive transaction expenses for foreign parties involved in international transactions.²¹

Criticisms Of The Code:

Despite being hailed as a major change, the IBC has certain disadvantages. One significant drawback is the National Company Law Tribunal's (NCLT) excessive workload, which causes delays in the resolution procedure. In a written reply to the Rajya Sabha, the Minister of State for Finance and Corporate Affairs, Anurag Singh Thakur, stated that as of September 2019, 10,860 cases were pending before the NCLT. the quantity of cases falling under IBC and the insufficiency of NCLT benches.²² The goal of the expedited resolution procedure will be undermined by the growing backlog of cases. Even though one of the key tenets of IBC is the prompt settlement of cases, the average resolution time is still very high at 590 days. Compared to the recently established cap of 330 days, it is 80% greater.²³ When it comes to cross-border bankruptcy situations, the absence of a clear structure might make things more difficult when it comes to international creditors. In addition, there is concern about corporate abuse via the 'haircut' technique. In terms of an IBC, a haircut is the difference between the loan amount and the real value of the asset provided as collateral to lenders or creditors in such circumstances, or having to bear the brunt of it. A haircut is a decrease in the value of an asset. It represents how the lender feels about the possibility that the asset's value will decline. However, in terms of loan recovery, it refers to the discrepancy between the amount owed by the borrower and the amount

²¹ (n,17)

²² Sehgal DR, 'Challenges of Interpretation of Insolvency and Bankruptcy Code, 2016' (*iPleaders*, 10 February 2021) <https://blog.iPLEaders.in/challenges-interpretation-insolvency-bankruptcy-code-2016/> accessed 6 November 2023

²³ 'Haircut on Cases Resolved through IBC Not Very Encouraging, Says Kotak Report' (*Business Insider*, 24 March 2023) <https://www.businessinsider.in/finance/banks/news/haircut-on-cases-resolved-through-ibc-not-very-encouraging-says-kotak-report/articleshow/98972743.cms> accessed 6 November 2023

they have paid the bank. August 2017 saw the enactment of the first insolvency resolution order under the IBC for Synergies-Dooray Automobile, a manufacturer of automobile parts, requiring lenders to accept a 94% haircut. Since then, the lenders have sent a number of cases to the NCLT for prompt settlement. The government asserted in April 2018 that more than Rs. 4 lakh crores worth of NPAs had been recovered under the IBC process, which was seen as a magic bullet for recovering bad loans. Subsequent RBI statistics, however, revealed that the true recovery figures were significantly lower. As a group, these 40 companies' NPAs accounted for 60–65% of all bad loans, bringing them into the spotlight for the resolution process.²⁴

Conclusion:

It is necessary to find thoughtful ways to improve the efficiency of the IBC. To speed up the resolution process and maximize the realizable value of assets, measures like creating benches to hear only IBC matters, digitalizing IBC platforms, boosting the role of resolution specialists, and creating a professional code of conduct for a committee of creditors (CoC) are all recommended.²⁵ In conclusion, the introduction of the IBC in India has surely been a major turning point in the legal and economic landscape of the nation. Its main goal was to expedite and simplify the bankruptcy and insolvency resolution procedures, which would ultimately increase investor trust, encourage entrepreneurship, and guarantee the effective recovery of bad loans. The Indian banking industry and the larger business climate have undoubtedly changed for the better as a result of the IBC. However, it is essential to recognize the issues and complaints the IBC continues to encounter. Attention must be paid to the heavy workload of the NCLT and the ensuing delays in the resolution process. The efficacy of the Code may be jeopardized if the backlog of cases keeps increasing. The issue of cross-border insolvency persists, as India's current strategy to recognize international procedures requires bilateral agreements with other governments, straddling the line between territorialism and universalism. Even though the IBC has significantly improved the process for resolving bad loans, there is still an opportunity for improvement. Maintaining the IBC as an efficient and successful framework for insolvency and bankruptcy resolution in India will require ongoing review, revisions, and international cooperation in the area of cross-border insolvency, amongst several other measures.

²⁴ (Mirza & Associates, Advocates & Attorneys) <https://www.mirzaandassociates.com/haircut-under-insolvency-laws/> accessed 6 November 2023

²⁵ 'Standing Committee Recommendations Key to IBC SUCCESS: CRISIL' (*The Economic Times*) <https://economictimes.indiatimes.com/news/economy/policy/standing-committee-recommendations-key-to-ibc-success-crisil/articleshow/87505542.cms> accessed 6 November 2023