

INSOLVENCY AND BANKRUPTCY CODE 2016 - A BOON TO CREDITORS

ABSTRACT

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The Insolvency and Bankruptcy Code, 2016 (IBC) was passed by the Parliament on 11 May 2016, got Presidential consent on 28 May 2016 and was informed in the official journal around the same time. The Code depends on the suggestions of the Bankruptcy Law Reform Committee to accommodate a solitary Code to determine insolvency for all organizations, restricted risk associations, association firms and people. With the appearance of the Code, loan specialists (like banks, monetary foundations, specialist organizations) have begun recording insolvency applications to recuperate levy from corporate borrowers. The Code being in the beginning periods of improvement is experiencing the legal rigors of understanding and developing through points of reference and changes. The Insolvency Code seeks to provide greater clarity in the law by consolidating bankruptcy and insolvency law under a single legislation and facilitate the application of consistent and coherent provisions to different stakeholders affected either by business failure or inability to pay debt and will address the challenges being faced at present for swift and effective bankruptcy and insolvency resolution. This paper seeks to introduce the Insolvency and Bankruptcy code 2016, further it highlights its impact and significance in Indian context.

Keywords : Insolvency, Bankruptcy, Code, Banks, Financial Institution, Debtor, Creditor, Corporate Debtor, Guarantor, Security Interest, Enforcement

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