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RS clears changes to Insolvency Code

Offers relief for home buyers

SPECIAL CORRESPONDENT
NEW DELHI

The Rajya Sabha on Monday passed an amended version of the three-year-old Insolvency and Bankruptcy Code (IBC). The amendments seek to end ambiguity and streamline the resolution process further. It also gives home buyers the status of a creditor giving them a say in the resolution in case a housing project goes bust.

Replying to the debate on the Insolvency and Bankruptcy Code (Amendment) Bill, 2019, Finance Minister Nirmala Sitharaman said the changes were in response to events that eroded the legislative intent of the IBC.

"The Bill seeks to amend seven sections of the Insolvency and Bankruptcy Code. They are largely to remove ambiguities and to facilitate a smooth conduct of the corporate and insolvency resolution process for maximising the outcomes in



Nirmala Sitharaman

line with preamble of the code," Ms Sitharaman said.

Essar case

She referred to the Essar Steel insolvency case where the lenders and operational creditors have been treated at par by the bankruptcy court for distribution of auction proceeds.

The Bill also fixes a deadline of 330 days for resolving cases referred to the IBC. These changes are in response to "newer challenges coming up," the Minister said, adding that the government speedily came up with the amendments.