



PRESS RELEASE

Budget 2024-25: Integrated Technology Platform and Other Measures will further Strengthen IBC Regime

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Union Finance Minister Smt. Nirmala Sitharaman has announced to set up an integrated technology platform for all the stakeholders of the IBC including Insolvency and Bankruptcy Board of India (IBBI), Insolvency Professional Agencies (IPAs), Information Utilities (IUs), Insolvency Professionals (IPs) etc. to expedite resolution of financially stressed companies. She has also assured to strengthen the capacity of NCLTs to reduce pendency of cases under the IBC.

“An Integrated Technology Platform will be set up for improving the outcomes under the Insolvency and Bankruptcy Code (IBC) for achieving consistency, transparency, timely processing and better oversight for all stakeholders,” said Smt. Sitharaman in her Budget Speech on 23rd July 2024. “Appropriate changes to the IBC, reforms and strengthening of the tribunal and appellate tribunals will be initiated to speed up insolvency resolution. Additional tribunals will be established. Out of those, some will be notified to decide cases exclusively under the Companies Act.,” she added. Underscoring the role of IBC in rescuing financially stressed companies, she informed that the IBC has resolved more than 1,000 companies, resulting in direct recovery of over ₹3.3 lakh crore to creditors. “In addition, 28,000 cases involving over ₹10 lakh crore have been disposed of, even prior to admission,” she said.

Highlighting the role of MSMEs in the Indian economy, the Finance Minister also announced a new mechanism for Credit Support to MSMEs during financial stress Period. “While being in the ‘special mention account’ (SMA) stage for reasons beyond their control, MSMEs need credit to continue their business and to avoid getting into the NPA stage. Credit availability will be supported through a guarantee from a government promoted fund,” said the finance minister. Smt. Sitharaman also assured that steps will be taken for reforming and strengthening debt recovery tribunals and additional tribunals will be established to speed up recovery.

“The announcements made in the Union Budget today reflect the confidence of the ecosystem in IBC regime resulting from the reasonably successful outcomes experienced so far. The futuristic directions provided by Hon’ble Finance Minister,

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especially the integrated technology platform and sprucing up NCLT infrastructure, shall indeed provide fillip to ongoing momentum to take the IBC regime to further heights,” said Dr. Ashok Haldia, Chairman, IIPI. “IIPI has been providing knowledge inputs in developing technical platform,” he added.

About IIPI

Indian Institute of Insolvency Professionals of ICAI (IIPI), promoted by the Institute of Chartered Accountants of India (ICAI) is the largest frontline regulator under IBC in India with about 63% of Insolvency Professionals as its Members. IIPI actively works under the aegis of Insolvency and Bankruptcy Board of India (IBBI) to build professionals' capacity and provide policy inputs to regulators.

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