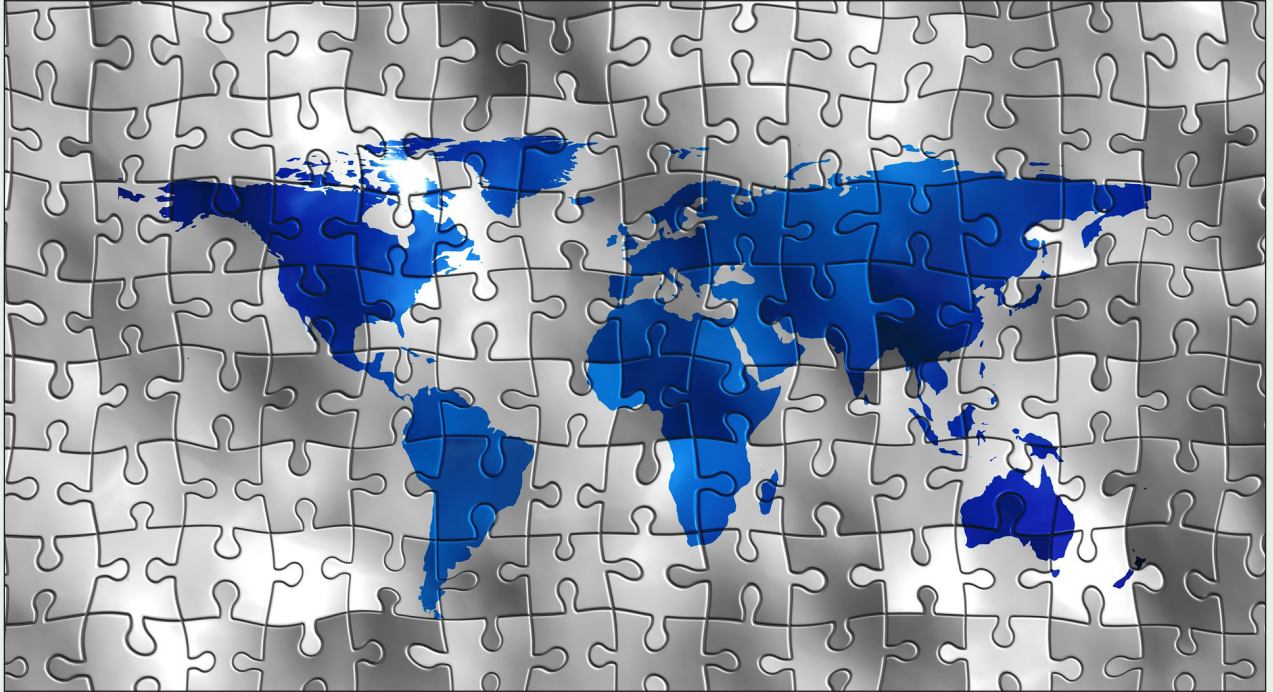


Foreign Investment and IBC: Making Indian Insolvency Regime More Investor-Friendly



Hiten Abhnani

The author is Insolvency Professional (IP) Member of IIPI. He can be reached at habhani@gmail.com

*The IBC, 2016, has significantly transformed India's insolvency framework by consolidating fragmented laws into a structured, time-bound process, leading to improved recovery rates and increased investor confidence. While the reforms have attracted both domestic and foreign investors, challenges such as judicial delays, regulatory uncertainty, issues related to cross-border insolvency, and inconsistent asset valuation continue to hinder the full potential of foreign participation. In this article, the author examines how foreign investors perceive the IBC, highlighting key challenges they face in insolvency proceedings. It discusses crucial IBC provisions, relevant insolvency cases, and comparisons with global insolvency frameworks. The article concludes with policy recommendations to enhance regulatory stability, streamline judicial processes, and improve foreign investor confidence in India's insolvency ecosystem. **Read on to know more...***

1. Introduction

1.1 Background and Rationale: India's economic liberalization over the past three decades has ushered in increased foreign direct investment (FDI) and global capital inflows. Yet, until the early 2010s, India's insolvency framework was characterized

by a multitude of laws such as the Sick Industrial Companies Act (SICA), 1985; the Recovery of Debts Due to Banks and Financial Institutions Act (RDBFI), 1993; and the Securitization and Reconstruction of Financial Assets and Enforcement

of Security Interest Act (SARFAESI), 2002 resulting in prolonged disputes and inefficient resolution processes.

The enactment of the Insolvency and Bankruptcy Code (IBC/Code) in 2016 marked a significant overhaul by consolidating these disparate laws into a single, time-bound, and more predictable framework. The IBC aims to:

- a) Ensure a speedy resolution of insolvency cases through strict timelines (a maximum of 180 days, extendable by 90 days, as provided in Section 12 of the IBC).
- b) Maximize the value of assets for the benefit of creditors.
- c) Enhance the overall ease of doing business by improving creditor recovery rates; and
- d) Restore confidence among investors by creating a more transparent and efficient insolvency process.

1.2 Impact on Foreign Investment: The IBC has enhanced India's global insolvency rankings, boosting foreign investor participation in distressed asset sales. Landmark cases like Essar Steel and Bhushan Steel demonstrate its effectiveness. However, challenges such as judicial delays, regulatory uncertainties, and cross-border insolvency complexities continue to hinder full investor confidence. Ensuring a more predictable and transparent insolvency framework is essential to sustaining long-term foreign investment. This article explores these issues and potential solutions in detail.

“Foreign investors typically evaluate an insolvency framework based on its predictability, transparency, efficiency, and ability to enforce judgments.”

2. How Foreign Investors Perceive IBC

Foreign investors typically evaluate an insolvency framework based on its predictability, transparency, efficiency, and ability to enforce judgments. These

qualities are crucial in a high-stakes investment environment. In the case of the IBC, while several aspects have positively transformed India's insolvency landscape, certain areas remain problematic.

2.1 Time-Bound Resolution

- (a) **Provision Reference:** Section 12 of the IBC mandates that the Corporate Insolvency Resolution Process (CIRP) be completed within 180 days, with a possible extension of 90 days by the Adjudicating Authority (AA). This strict timeline is designed to reduce delays and ensure that distressed assets are resolved swiftly.
- (b) **Investor Implications:** For foreign investors, the assurance of a defined timeline minimizes the risk of prolonged litigation and uncertainty, making distressed asset investments more predictable. The prompt resolution also facilitates quicker asset monetization, thereby enhancing liquidity.

2.1.2. Enhanced Creditor Rights and Governance

- (a) **Provision Reference:** Under Section 30(4) of the IBC, the Committee of Creditors (CoC) comprising primarily financial creditors, play a decisive role in approving the resolution plan.
- (b) **Investor Implication:** The empowerment of creditors provides foreign investors with greater control over the insolvency process. With a more structured mechanism to influence outcomes, international lenders and distressed assets funds feel more secure in their ability to recover investments.

2.1.3. Improved Recovery Rates

- (a) **Statistical Evidence:** Post-IBC data indicates that the recovery rates for creditors have improved substantially. Studies have shown an increase from pre-IBC recovery rates of around 26% to upwards of 32.1% under the IBC regime¹.
- (b) **Investor Implication:** Higher recovery rates directly impact the risk-reward calculus for foreign investors, making the Indian market more attractive. Improved asset realization encourages global investment into

¹ IBBI Newsletter, Oct-Dec. 2025, p. 11

sectors that were previously considered high risk due to inefficient insolvency processes.

2.1.4. Successful High-Profile Resolutions

- (a) **Case References:** Essar Steel Insolvency: The acquisition of Essar Steel by ArcelorMittal for approximately ₹42,000 crores² demonstrated the viability of the IBC framework in handling large-scale distressed assets.
- (b) **Bhushan Steel Resolution:** The successful resolution by Tata Steel³ further underscored the potential for strategic acquisitions under IBC.
- (c) **Investor Implication:** These landmark cases have helped build confidence among foreign investors by illustrating that the IBC framework can lead to efficient and commercially viable resolutions.

“The acquisition of Essar Steel by ArcelorMittal for approximately ₹42,000 crores demonstrated the viability of the IBC framework in handling large-scale distressed assets.”

2.2 Concerns and Challenges: Despite these positives, several issues continue to pose challenges for foreign investors.

2.2.1. Judicial Delays and Uncertainty

- (a) **Provision Reference:** Although Section 12 sets a timeline, real-world practice often sees delays due to prolonged litigation in the National Company Law Tribunal (NCLT) and subsequent appeals in the National Company Law Appellate Tribunal (NCLAT) and the Supreme Court.
- (b) **Case in Point:** The Jaypee Infratech insolvency⁴ case has witnessed significant delays, partly due to

protracted legal challenges. Such delays undermine the very purpose of the IBC's time-bound process.

- (c) **Investor Implication:** Uncertainty over the timely resolution of cases reduces the attractiveness of distressed asset investments. Foreign investors, accustomed to robust judicial processes, may find these delays prohibitive.

2.2.2. Regulatory and Policy Uncertainty

Regulatory and policy uncertainties continue to pose challenges in its application. Judicial interpretations and evolving regulations, though aimed at refining the provision, sometimes create ambiguities that can lead to the exclusion of genuine resolution applicants. This, in turn, may impact the effectiveness of the resolution process by limiting the pool of eligible bidders and potentially reducing value maximization for stakeholders. Striking a balance between preventing undesirable entities from regaining control and ensuring a fair and competitive resolution process remains a key concern in the evolving insolvency framework.

2.2.3. Cross-Border Insolvency Issues

- (a) **Current Framework:** While the IBC does include provisions (notably Sections 234 and 235) that touch upon cross-border insolvency, India has not fully adopted the UNCITRAL Model Law on Cross-Border Insolvency.
- (b) **Case Example:** In the Videocon Group insolvency⁵ proceedings, foreign creditors encountered difficulties in enforcing their claims on assets located outside India.
- (c) **Investor Implication:** The lack of a comprehensive cross-border insolvency framework creates legal uncertainty for foreign investors with transnational portfolios. Without effective mechanisms to coordinate international claims, recovery becomes complex and costly.

2.2.4. Asset Valuation and Transparency

- (a) **Issue Overview:** One persistent challenge is the lack of standardized valuation practices in distressed

² Supreme Court Judgment on Essar Steel Insolvency Case - Civil Appeal Nos. 8766-67 of 2019, dated November 15, 2019, para 89 on page 152 of the order.

³ In the matter of Bhushan Steel Limited CA Nos. 176, 186, 217 & 244-2018 IN CP (IB)-201-(PB)-2017.

⁴ In the matter of Yamuna Expressway Industrial Development Authority vs. Monitoring Committee of Jaypee Infratech Ltd. Through Anuj Jain, Secretary & Ors. [C.A (AT) (Ins.) No.493 of 2023 & I.A. No. 3017, 3703 of 2023 & 2535, 2548, 2660, 2669 of 2024]

⁵ Videocon Group insolvency: In the matter of Videocon Industries Ltd MA 1306 -2018 & Ors MAs CP 02-2018 & Ors CPs.

asset sales. The valuation process can be subjective, leading to disputes. Case Study: Jet Airways faced valuation disputes, delaying foreign buyer participation.

- (b) **Case in Point:** In the DHFL⁶ (Dewan Housing Finance Limited) case, discrepancies in asset valuation resulted in protracted negotiations and delayed resolution.
- (c) **Investor Implication:** Inconsistent valuation undermines investor confidence as it directly affects bid pricing and expected recovery rates. Transparent and standardized valuation methodologies are essential for attracting foreign capital.

3. Key Issues Faced by Foreign Creditors

Foreign creditors including international banks, private equity funds, hedge funds, and asset reconstruction companies (ARCs) face several challenges when engaging with India's insolvency regime. They are as under:

3.1. Cross-Border Insolvency Challenges

3.1.1. Legal Framework Deficiencies

- (a) **IBC Provisions:** Sections 234 and 235 of the IBC provide for the initiation of Cross-Border Insolvency proceedings. However, these provisions remain largely underutilized due to the absence of a comprehensive legislative framework that aligns with the UNCITRAL Model Law.
- (b) **UNCITRAL Model Law:** The Model Law provides guidelines for cooperation between courts in different jurisdictions. India's reluctance to fully adopt it creates gaps in the enforcement of foreign judgments.
- (c) **Investor Implication:** Without a robust Cross-Border Insolvency mechanism, foreign creditors are often left navigating a maze of local laws when attempting to recover their dues from globally operating distressed companies.

“Without a robust Cross-Border Insolvency mechanism, foreign creditors are often left navigating a maze of local laws when attempting to recover their dues from globally operating distressed companies.”

3.1.2. Enforcement of Foreign Judgments

- (a) **Challenges:** Even when foreign creditors secure favourable rulings in their home jurisdictions, enforcing these judgments in India remains problematic.
- (b) **Example:** Foreign creditors often face hurdles in enforcing foreign insolvency or arbitration awards in India due to legal and procedural challenges. Notable cases include:
- (i) **Cairn Energy vs. India (2020):** Cairn won a \$1.2 billion arbitration award but struggled with enforcement in India, leading it to seek remedies in multiple jurisdictions⁷.
- (ii) **Daiichi Sankyo vs. Ranbaxy:** Despite a favorable foreign arbitral award, Daiichi faced⁸ prolonged enforcement proceedings in India.
- (iii) **Amazon vs. Future Retail:** Amazon's Singapore arbitral award was upheld by the Indian Supreme Court but faced regulatory and legal resistance⁹.
- (iv) **UpHealth vs. Glocal Healthcare:** UpHealth's ICC award was contested¹⁰ in India, highlighting resistance to foreign arbitration enforcement.

These cases reflect India's pro-arbitration stance in principle, but the practical difficulties foreign creditors encounter in execution. This enforcement gap diminishes

⁶ Dewan Housing Finance Corporation Ltd. vs Anu Bhalla on 17 July, 2023.

⁷ https://en.wikipedia.org/wiki/Cairn_Energy_and_Government_of_India_dispute

⁸ https://www.daiichisankyo.com/media/press_release/detail/index_3438.html

⁹ [https://elplaw.in/leadership/a-creature-called-emergency-arbitrator/#:~:text=%5B1%5D%20\(Amazon%20v.,\(1\)%20of%20the%20Act.](https://elplaw.in/leadership/a-creature-called-emergency-arbitrator/#:~:text=%5B1%5D%20(Amazon%20v.,(1)%20of%20the%20Act.)

¹⁰ <https://investors.uphealthinc.com/news/news-details/2024/Calcutta-High-Court-rules-in-favour-of-UpHealth-Holdings-Inc.-and-vigorously-reinforces-the-ICC-International-Court-of-Arbitration-previous-110-million-award-against-Glocal-directors-and-other-Respondents-calling-their-conduct-dishonest-and-fraudulent/default.aspx>

the confidence of international investors who rely on the seamless execution of cross-border claims.

3.2. Judicial Delays and Enforcement Inefficiencies

3.2.1. Prolonged Litigation

- (a) **Statutory Timelines vs. Reality:** Although the IBC mandates completion of CIRP within 270 days (Section 12), many cases exceed this timeline due to various factors. Delays often result from a lack of potential resolution applicants, prolonged negotiations, and delayed decision-making by creditors. While judicial interventions may contribute in some instances, they are not the sole cause of delays in the process.
- (b) **Notable Case:** The RCom insolvency case¹¹ took approximately 5.5 years instead of expected maximum 330 days, impacting not only domestic stakeholders but also foreign creditors like China Development Bank (CDB), Industrial and Commercial Bank of China (ICBC), Export-Import Bank of China etc., who had exposure to the company's debt.
- (c) **Investor Implication:** Delays in litigation create uncertainty in the recovery process, directly affecting foreign investors' risk assessments and investment decisions.

3.2.2. Enforcement Challenges

- (a) **Procedural Complexities:** The multi-layered appeal process, from the NCLT to the NCLAT and ultimately the Supreme Court, often prolongs insolvency resolution, undermining investor confidence particularly among foreign investors who expect predictable and time-bound dispute resolution. While statutory timelines for appeals and restrictions on grounds for appeal already exist, their enforcement remains weak due to the judiciary's consistent stance that such timelines are not binding. Additionally, while a mandatory pre-deposit for appeals could deter frivolous litigation, such a measure is only viable against debtors, as imposing it on creditors may discourage legitimate claims, further deterring foreign investment.

A key concern for foreign investors is the unpredictability and delay in judicial outcomes, which affects the ease of doing business and deters participation in India's insolvency market. The fundamental issue lies in insufficient and inadequate infrastructure, rather than procedural loopholes. Addressing these through executive action such as increasing the number of judges, strengthening tribunal infrastructure, and deploying technology for case management could significantly enhance investor confidence in the IBC framework. Creating a specialized insolvency bench with faster adjudication for large, foreign-involved cases could also help improve the investment climate and align India's insolvency regime with global best practices.

“Creating a specialized bench with faster adjudication for large, foreign-involved cases could also help improve the investment climate in the country.”

3.3. Bureaucratic and Regulatory Hurdles

3.3.1. Multiple Regulatory Bodies

- (a) **Regulatory Overlap:** Foreign investors in India face a complex approval process involving multiple regulatory bodies such as Reserve Bank of India (RBI), SEBI, and IBBI, leading to delays and uncertainty. In contrast, countries like the United States and Australia have streamlined foreign investment regulations through centralized bodies. The Committee on Foreign Investment in the United States (CFIUS) consolidates national security reviews, ensuring a more efficient approval system. Similarly, Australia's Foreign Investment Review Board (FIRB) provides a single-window clearance mechanism for foreign investments. These centralized approaches simplify regulatory compliance, making the investment process smoother and more predictable compared to India's multi-agency system.
- (b) **Investor Implication:** The multiplicity of regulatory approvals complicates and delays transactions,

¹¹ <https://ibbi.gov.in/en/claims/order-process/L45309MH2004PLC147531>

thereby increasing transaction costs and deterring swift market entry.

3.4. Need for Transparency

- (a) **Best Practice Models:** Adopting more transparent valuation practices in India could enhance the credibility of the insolvency process and attract higher levels of foreign capital. However, certain issues with current valuation standards need to be addressed, such as:
 - (i) **Divergence in Valuation Reports:** Significant differences between two registered valuers' reports often create uncertainty, leading to disputes and delays in CIRP.
 - (ii) **Challenges in Valuing Distressed Assets:** The lack of market comparable and distressed nature of assets often result in conservative or inconsistent valuation estimates.
 - (iii) **Subjectivity in Real Estate and Intangible Asset Valuations:** The valuation of real estate-heavy companies and intangibles (such as brand value or intellectual property) remains inconsistent, impacting resolution outcomes.
 - (iv) **Limited Market for Independent Valuation Experts:** A shortage of experienced professionals specializing in insolvency valuations sometimes leads to quality concerns in valuation reports.

Addressing these issues through standardized methodologies, greater regulatory oversight, and independent review mechanisms could improve valuation transparency and boost investor confidence in the CIRP framework.

4. Comparative Insights: Global Insolvency Frameworks

A comparative analysis with other established insolvency regimes can provide insights into areas where India might improve its framework to become even more investor-friendly.

4.1. United States: Chapter 11 Bankruptcy

- (a) **Overview:** The US Chapter 11 process provides a



well-structured, debtor-in-possession regime that allows for business restructuring while protecting the rights of creditors.

(b) Key Strengths:

- (i) **Valuation Transparency:** Professional valuations and market-based pricing are integral.
- (ii) **Judicial Oversight:** Experienced bankruptcy judges and specialized legal expertise ensure efficient proceedings.
- (c) **Lessons for India:** India could benefit from further standardizing asset valuation practices and streamlining judicial processes to adopt the efficiency seen in Chapter 11 cases.

4.2. United Kingdom: Administration Process

- (a) **Overview:** The UK's administration process focuses on rescuing the business or achieving a better result for creditors than liquidation.
- (b) **Key Strengths:**
 - (i) **Specialist Administrators:** The use of professional insolvency practitioners with extensive experience.
 - (ii) **Streamlined Procedures:** Clear procedures for the resolution and turnaround of distressed companies.
- (c) **Lessons for India:** Strengthening the role and better training of Insolvency Professionals (IPs) in India and streamlining the insolvency process can enhance the credibility of the IBC through:
 - (i) **Specialized Training & Certification:** Introducing advanced training programs on valuation, forensic audits, and Cross-Border Insolvency to improve the expertise of IPs.

- (ii) **Enhanced Regulatory Oversight:** Strengthening disciplinary mechanisms under IBBI to ensure accountability and adherence to best practices.
- (iii) **Streamlined Case Management:** Using technology-driven case management tools to enhance transparency and efficiency in CIRP.
- (iv) **Clearer Guidelines on Commercial Decision-Making:** Providing detailed frameworks on how IPs should assess and evaluate resolution plans to minimize litigation risks.
- (v) By addressing these aspects, the insolvency framework can become more predictable and investor friendly.

Introducing advanced training programs on valuation, forensic audits, and Cross-Border Insolvency could improve the expertise of IPs.

4.3. Singapore: Restructuring Regime

- (a) **Overview:** Singapore's insolvency framework emphasizes early intervention, pre-packaged restructurings, and close cooperation between creditors and debtors.
- (b) **Key Strengths:**
 - (i) **Early Resolution:** The emphasis on early restructuring helps in preserving value.
 - (ii) **Regulatory Clarity:** Singapore vs. India
 - **Legislative Framework:** Singapore's Insolvency, Restructuring and Dissolution Act (IRDA) consolidates all insolvency laws, ensuring clarity. India's IBC 2016, though unified, faces evolving jurisprudence and procedural complexities.
 - **Institutional Oversight:** Singapore mandates strict licensing for insolvency practitioners, ensuring professionalism. India's IBBI regulates professionals, but expertise levels vary.
 - **Procedural Efficiency:** Singapore enforces clear timelines, reducing delays. In India, judicial

backlogs and appeals often extend resolution beyond the mandated 330 days.

- **Arbitration & Insolvency:** Singapore follows a pro-arbitration approach, ensuring consistency. India's stance is evolving but remains inconsistent.
- Singapore's streamlined system enhances predictability, whereas India's process, though improving, still faces challenges.
- (c) **Lessons for India:** Adopting measures that facilitate early intervention and streamlined negotiations can significantly reduce the time and cost associated with insolvency proceedings.

5. Best Practices & Policy Recommendations

To enhance foreign investor confidence in the IBC framework, several best practices and policy reforms can be considered.

5.1. Adoption of a Comprehensive Cross-Border Insolvency Framework

- (a) **Full Adoption of UNCITRAL Model Law:** India should consider fully implementing the UNCITRAL Model Law on Cross-Border Insolvency. This would provide a legal framework that facilitates the coordination of Cross-Border Insolvency cases and the enforcement of foreign judgments.
- (b) **Clear Guidelines:** Issuing detailed guidelines on the application of Sections 234 and 235 of the IBC would help clarify procedures for international creditors.
- (c) **Expected Outcome:** A robust cross-border framework will reduce legal uncertainty and encourage foreign participation by ensuring that international claims are enforceable in India.

5.2. Strengthening Judicial and Regulatory Infrastructure

- (a) **Judicial Training:** Enhanced training programs for insolvency professionals and other stakeholders on the IBC provisions and international best practices will lead to more consistent and predictable rulings.
- (b) **Expected Outcome:** Reduced litigation delays and improved judicial predictability will directly benefit foreign creditors by ensuring timely resolutions.

5.3. Enhancing Regulatory Consistency to Attract Foreign Investors

- (a) **Ensuring a Stable Policy Environment:** For foreign investors considering distressed asset opportunities in India, regulatory certainty and consistency in insolvency proceedings are critical. Unclear policies, inconsistent tribunal rulings, and evolving interpretations of key provisions of the IBC can demotivate foreign participation. Addressing the following concerns would enhance investor confidence:
 - (i) **Harmonization of Cross-Border Insolvency Framework:** The absence of a comprehensive Cross-Border Insolvency framework aligned with the UNCITRAL Model Law makes it difficult for foreign creditors to effectively participate in Indian insolvency proceedings. Establishing clear rules on recognition of foreign insolvency proceedings and asset recovery across jurisdictions would encourage greater foreign investment in distressed assets.
 - (ii) **Transparent and Consistent Resolution Plan Approval:** Foreign investors prefer a standardized approach to evaluating resolution plans, particularly regarding valuation methodologies, distribution waterfalls, and compliance requirements. Currently, varying interpretations by different NCLT benches create unpredictability in how plans are assessed. Codifying clear evaluation criteria and ensuring time-bound approvals would make the resolution process more reliable.
 - (iii) **Strengthening Rights of Foreign Creditors:** The IBC prioritizes secured financial creditors in recoveries, but foreign investors (especially bondholders and institutional investors) often find themselves disadvantaged due to procedural delays and lack of clear enforcement mechanisms. Creating a dedicated framework for foreign institutional creditors would ensure better protection and participation in the resolution process.
 - (iv) **Improving Exit Mechanisms for Foreign Investors:** Investors seeking to acquire distressed assets under the IBC are often concerned about post-resolution litigations, regulatory hurdles, and

enforcement delays. A clearer framework for post-resolution asset management, dispute resolution, and exit options (including capital repatriation policies) would make India's insolvency regime more attractive for foreign capital.

- (b) **Standardized Valuation Guidelines:** Developing standardized asset valuation frameworks possibly drawing on international models can help mitigate disputes and ensure transparent pricing in distressed asset sales. Evidence from global practices supports this approach.

(c) Recommendations for Enhancing Valuation Standards

- (i) **Adopting a Standardized Insolvency Valuation Framework:** Align valuation methodologies with IVS and IFRS, ensuring consistent approaches across all CIRP cases.

Align valuation methodologies with IVS and IFRS, ensuring consistent approaches across all CIRP cases.

- (ii) **Restricting Frivolous Challenges to Valuation:** Establish strict thresholds for challenging valuations, preventing defaulting promoters from misusing legal provisions to delay resolutions.
- (iii) **Improving Creditor Transparency in Valuation Reports:** Provide foreign investors and creditors with clearer insights into the valuation process, ensuring they can make informed decisions on bidding and recovery prospects.
- (iv) **Clarifying Ranking of Charges through Legislative Reforms:** Establish a definitive legal framework on priority of claims to avoid valuation disputes linked to creditor rankings.
- (c) **Expected Outcome for Foreign Investors:** A clear, standardized, and enforceable valuation process would reduce disputes, enhance predictability in asset pricing, and improve investor confidence in India's distressed asset market.

By addressing concerns around creditor ranking, valuation transparency, and dispute resolution, India can position itself as a more attractive destination for foreign capital in insolvency and distressed asset investments.

5.4. Encouraging Foreign Participation in Asset Reconstruction Companies (ARCs)

- (a) **Liberalize FDI norms for ARCs:** Allowing 100% Foreign Direct Investment (FDI) in ARCs would enable greater foreign participation in the recovery and resolution of distressed assets.
- (b) **Streamlined Approval Process:** Simplifying the RBI and SEBI approval processes for foreign investors can reduce transactional delays.
- (c) **Expected Outcome:** Enhanced participation of foreign ARCs can lead to improved recovery rates and a more competitive market for distressed asset sales.

5.5. Promoting Best Practices Through International Cooperation

- (a) **Knowledge Sharing:** Establish forums for dialogue and knowledge sharing between Indian insolvency practitioners and their international counterparts.
- (b) **Regulatory Collaboration:** Engage with international bodies (such as the International

Insolvency Institute) to adopt global best practices and ensure that India's insolvency framework remains aligned with international standards.

“Adopting global best practices such as a robust Cross-Border Insolvency Framework, judicial reforms, and regulatory stability can make India's insolvency regime more attractive.”

6. Conclusion

The IBC has significantly improved India's insolvency framework, enhancing recovery rates, creditor rights, and foreign investor interest. However, challenges like judicial delays, regulatory uncertainty, and Cross-Border Insolvency issues persist. Greater international collaboration will help India continuously improve its insolvency regime, thereby making it a more attractive destination for global investors. Adopting global best practices such as a robust Cross-Border Insolvency Framework, judicial reforms, and regulatory stability can make India's insolvency regime more attractive. Strengthening foreign participation in distressed asset markets will boost investor confidence and economic growth, benefiting both domestic and international stakeholders.

