

# Government Introduces Bill In Lok Sabha To Amend Insolvency Law

On Monday The government introduced a bill in the Lok Sabha to amend the insolvency law and provide for a pre-packaged resolution process for stressed MSMEs.

The proposed amendments would enable the government to notify the threshold of a default not exceeding Rs 1 crore for initiation of the pre-packaged resolution process. The government has already prescribed the threshold of Rs 10 lakh for this purpose.

“It has, therefore, been considered necessary to urgently address the specific requirements of the sector by providing an efficient and alternative framework under the Code for quicker, cost-effective insolvency resolution process that is least disruptive to the businesses, ensuring, among other objectives, job preservation,” it noted.