

The House reassembled at two of the clock,
THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA) *in the Chair.*

STATUTORY RESOLUTION AND GOVERNMENT BILL

*** Disapproving the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021**

*** The Insolvency and Bankruptcy Code (Amendment) Bill, 2021**

SHRI DEREK O'BRIEN (West Bengal): Sir, 267 notice... *...(Interruptions)...*

SHRI SHAKTISINH GOHIL: Sir,... *...(Interruptions)...*

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): As per today's List of Business, now, we are going to take up the Insolvency and Bankruptcy Code... *...(Interruptions)...* The Statutory Resolution to be moved by Shri Shaktisinh Gohil, Shri Elamaram Kareem, Dr. V. Sivadasan, Shri Binoy Viswam and Shri M.V. Shreyams Kumar. Please move the Resolution. *...(Interruptions)...* One of you can move the motion. *...(Interruptions)...* Yes, Shri Shaktisinh Gohil. *...(Interruptions)...* Please move the motion. *...(Interruptions)...* Please move the motion. *...(Interruptions)...* Your party Member is moving the motion. *...(Interruptions)...*

SHRI SHAKTISINH GOHIL (Gujarat): Sir, I move the motion but दिल्ली में नौ साल की एक दलित लड़की ... मेरा जो रूल 267 का विषय है ,...*(व्यवधान)...*

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Your party Member is speaking. *...(Interruptions)...* Please go to your seats. *...(Interruptions)...*

SHRI SHAKTISINH GOHIL: Sir, I move the motion, लेकिन इसके साथ-साथ मैं यह कहना चाहता हूँ कि दिल्ली में एक नौ साल की दलित लड़की के साथ...*(व्यवधान)...*

* Discussed together.

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): No; you have to move this resolution. ...(*Interruptions*)... Your Resolution is on the Insolvency and Bankruptcy Code (Amendment) Bill, 2021. ...(*Interruptions*)...

SHRI SHAKTISINH GOHIL: Sir, I am moving the Resolution. ...(*Interruptions*)... Sir, I move:

“That this House disapproves the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 (No.3 of 2021) promulgated by the President of India on 4th April, 2021.”

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): You have moved the Resolution. ...(*Interruptions*)... Now, the Resolution is moved. ...(*Interruptions*)... Now, the Minister. ...(*Interruptions*)...

THE MINISTER OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): Sir, do you want me to speak on it? ...(*Interruptions*)...

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): The Resolution moved. Now, Shrimati Nirmala Sitharaman to move a motion for consideration of the Bill. ...(*Interruptions*)...

THE MINISTER OF FINANCE; AND THE MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN): Sir, I move:

“That the Bill further to amend the Insolvency and Bankruptcy Code, 2016, as passed by Lok Sabha, be taken into consideration.”

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): The motion moved. ...(*Interruptions*)... The Statutory Resolution and the motion for consideration of the Bill are now open for discussion. ...(*Interruptions*)... Members desiring to speak may do so after which... (*Interruptions*)... Does Minister want to say something on this Bill? ...(*Interruptions*)... Please. ...(*Interruptions*)...

SHRIMATI NIRMALA SITHARAMAN: Sir, this Bill has been brought keeping in mind the situation in which MSMEs require a lot of help post the pandemic. ...(*Interruptions*)... Sir, this Bill will help them. ...(*Interruptions*)... In that, we have

increased the threshold earlier and now coming up with a pre-pack solution. ...(*Interruptions*)... Actually speaking, there was this feeling that there could be a surge in the insolvencies after the suspension ended of the period when some sections of the IBC were suspended. ...(*Interruptions*)... As a result of which, during the Corona period, nobody could take the MSMEs to the court or demand insolvency processes to commence with them. ...(*Interruptions*)... But, the suspension of these provisions ended on 24th March, and there was this feeling that there could be a lot more surge of insolvencies among the MSMEs. ...(*Interruptions*)... But, Sir, I wish to suggest to you that given the kind of information that we have, there is no surge in the insolvencies of MSMEs. ...(*Interruptions*)... Now, what is the pre-pack? ...(*Interruptions*)... Why do we want a pre-pack? ...(*Interruptions*)... We want the pre-pack to become a part of the code and this is very much in alignment with the code's processes and spirit of the code. ...(*Interruptions*)... But, the reason why we want this is there is an inadequacy of existing options. ...(*Interruptions*)... The options available for the MSMEs are not very many. ...(*Interruptions*)... Then, there are multiple competing options for ease of doing business. By this, there will be a better way in which these MSMEs can seek to have a solution. ...(*Interruptions*)... So, this is being prepared. ...(*Interruptions*)... It is less costly. ...(*Interruptions*)... It is hybrid in nature. ...(*Interruptions*)... The debtor will still be in control and the creditors will be working together and, therefore, it is actually going to cut the cost and speed up the process because the whole thing will be over in 120 days. ...(*Interruptions*)... So I request all the Members in the House, please understand the seriousness as to why this Bill has to be passed because it will be of great importance for the MSMEs to have some relief and this will be a less expensive way of dealing with it, a time-bound way of doing it. ...(*Interruptions*)... Therefore, I request the hon. Members of the House to please consider passing it. ...(*Interruptions*)...

The questions were proposed.

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Hon. Members, please go to your seats. ...(*Interruptions*)... The discussion has already started. ...(*Interruptions*)... Now, Dr. Amar Patnaik. ...(*Interruptions*)...

DR. AMAR PATNAIK (Odisha): Sir, while speaking about the Bill, I welcome the pre-pack arrangement which has been brought into the IBC framework. ...(*Interruptions*)... Before getting into the details of its implementation, let me refer to the international jurisprudence in so far as IBC is concerned. ...(*Interruptions*)...

The United Nations Commission on International Trade Law (UNCITRAL)...(*Interruptions*)...

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Please go to your seats. You will get an opportunity to speak. ...(*Interruptions*)... Mr. Viswam, the resolution is moved. Please go to your seats. ...(*Interruptions*)...

DR. AMAR PATNAIK: It is referred to as expedited reorganisation proceedings to combine voluntary restructuring negotiations...(*Interruptions*)...in formal structure in which a plan is negotiated and agreed to by the bulk of impacted stakeholders. ...(*Interruptions*)... Even in South Korea, it has been very successful. ...(*Interruptions*)... It is only in the United Kingdom where the judicial jurisprudence has been settled in favour of the IBC...(*Interruptions*)... even though the law is not there. ...(*Interruptions*)... However, there are concerns about accountability and...(*Interruptions*)...which has been expressed in the UK law. Now, I will come to the concerns. ...(*Interruptions*)... While I welcome the Bill in its entirety, I foresee the following problems that will come in the implementation of the Bill. ...(*Interruptions*)... Number one is the valuation of the company. ...(*Interruptions*)... Since there is a greater possibility that the arrangements in which the debtors are still in possession, even though creditors are not, ...(*Interruptions*)...there is a possibility of assets valuation by related party arrangement and also by an unscrupulous resolution professional...(*Interruptions*)... Therefore, the base resolution plan, I think, should have a minimum value which is the fair value or the liquidation value set and no Swiss challenge or any such arrangement should go below it. Otherwise, it should automatically be referred to the CIRP. ...(*Interruptions*)... The other point that I would wish to bring in is the minority shareholders' interest. The IBC current amendment basically wants to make the entire situation quicker, cost effective and value maximising. ...(*Interruptions*)... If it is to be made and the outcome has to be acceptable to all stakeholders ...(*Interruptions*)... Invariably, it has been found that the minority shareholders' interest, if it can actually be taken care of, then I think it will be a great arrangement. ...(*Interruptions*)... The minority shareholders' views are also very important in making this resolution process acceptable. The third one and the most latest one is the continuation of the adjusting promoters. ...(*Interruptions*)... I am aware of the fact that there are checks and balances which have been built into the system. ...(*Interruptions*)... But what we have seen is that the conduct of the resolution professionals has much to say in so far as the CIRP is concerned. I hope a similar

kind of thing does not happen also in the current case. ...(*Interruptions*)... The other point is relating to poor legal infrastructure and legal literacy. ...(*Interruptions*)... Currently, there are about 50 per cent vacancies in the NCLTs of the country. ...(*Interruptions*)... When there are 50 per cent vacancies and they have already to look after the company law cases, the competition law cases, MRTTP cases, I have a feeling that unless the NCLT and the NCLAT structure or the arrangement or the number of judges is increased, the adherence to the 120 years guidelines will be difficult. It is also important that the operational creditors work that was already there in CIRP continues to be in the case of the pre-pack arrangement and that should be addressed. ...(*Interruptions*)... As you would see in the Ordinance itself, at Section 54G, the importance of the information has been highlighted. ...(*Interruptions*)... There is the list of claims and preliminary information memorandum in Section 54G. ...(*Interruptions*)... Therefore, the role of the Information Utility is very important. ...(*Interruptions*)... I know that the IBBI is already working on it, the role has to be strengthened much more because that is going to be very crucial not just for pre-packaged arrangements but also for the regular CIRPs...(*Interruptions*)... Lastly, I would like to compliment the Finance Minister and the Government for incrementally improving, almost like a prototype, IBC regime in this country which is actually improving the ease of doing business and in this particular case, it is thought about for MSMEs. ...(*Interruptions*)... And, therefore, it is very welcome. ...(*Interruptions*)... The only thing is that we need to build the capacity of our resolution professionals, we need to build the capacity of NCLT. ...(*Interruptions*)...

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Dr. Amar Patnaik, please conclude. ...(*Interruptions*)...

DR. AMAR PATNAIK: Then, it would be a ...(*Interruptions*)... With these words, I support the Bill. Thank you very much, Sir.

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Thank you. The next speaker is Dr. Banda Prakash. ...(*Interruptions*)... If you have anything to say, go to your seat and speak. ...(*Interruptions*)... Go to your seat. ...(*Interruptions*)... Now, Dr. Banda Prakash.

DR. BANDA PRAKASH (Telangana): Sir, I rise to support the Insolvency and Bankruptcy Code (Amendment) Bill, 2021. ...(*Interruptions*)... Sir, this is the sixth

Amendment. ...(*Interruptions*)... This is for the pre-packaged insolvency resolution process for MSMEs and corporate debtors ...(*Interruptions*)... Sir, the cases as on date dealt with are 32,813. ...(*Interruptions*)... Sixty per cent of the cases are withdrawn before the admissions. ...(*Interruptions*)... More than 1,742 cases are closed by the resolution plan and the liquidation plan. ...(*Interruptions*)... Sir, 1,684 cases are going on. ...(*Interruptions*)... The aggregate claim is Rs.14,39,910 crores. ...(*Interruptions*)... The resolution process value is Rs.2,53,976 crores. ...(*Interruptions*)... The average realisation has been 40 per cent and in some cases, it is only 36 per cent. ...(*Interruptions*)... However, our Finance Ministry and officers are working very hard. ...(*Interruptions*)... In the Global Innovation Index, India's position in ease of resolving insolvency has improved from 95 in 2015 to 47 in 2020. ...(*Interruptions*)... I congratulate the hon. Finance Minister and the Government and support the Bill. ...(*Interruptions*)... Thank you very much.

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Now, the next speaker is Dr. M. Thambidurai. ...(*Interruptions*)...

DR. M. THAMBIDURAI (Tamil Nadu): Mr. Vice-Chairman, Sir, thank you for giving the opportunity to say a few words on the Bill. ...(*Interruptions*)... I congratulate the Finance Minister and also the Prime Minister for effectively taking steps to save the MSMEs. ...(*Interruptions*)... Sir, the principal objective of the law is to restructure and resolve insolvency of corporate persons, partnership firms and individuals promptly for leveraging the maximum value of assets of such persons. ...(*Interruptions*)... the Covid-19 pandemic has impacted businesses, financial markets and economies all over the world; not only India, throughout the world this has happened. ...(*Interruptions*)... In spite of that, the Government has come forward, the hon. Prime Minister has come forward, to help the MSMEs and so as to see to it that the economy will be viable and also the people will get the employment opportunities. ...(*Interruptions*)... To save the country, the Government has promptly taken the action this time by bringing the Ordinance. ...(*Interruptions*)... Therefore, I am... ...(*Interruptions*)... The benefits of the Bill are informal process offers flexibility, debtor-in-possession, minimum disruption in the business, continuation of the business relations, limited moratorium for pre-packaged period of 120 days, breather from recovery actions, time to plan revival, short and quick process, lower costs, jobs preservation, guidance and oversight of the resolution professional, finality with judicial approval. ...(*Interruptions*)... This Bill has given lot of benefits to the people. ...(*Interruptions*)... Therefore, on behalf of AIADMK, I welcome and also appreciate

the Prime Minister's and the Finance Minister's efforts. ...(*Interruptions*)... Sir, I support this Bill. Thank you.

SHRI JOHN BRITTAS (Kerala): Sir, I stand here to oppose this Bill. This Bill is introduced to destroy the economy of this country. ...(*Interruptions*)... This Government is destroying the democracy of this country. The democratic process of this country is being crippled. ...(*Interruptions*)...

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Please come to the subject. ...(*Interruptions*)... You have to speak on the Bill, not on other things. ...(*Interruptions*)...

SHRI JOHN BRITTAS: Sir, not only the economy, the country's democratic process is being crippled. ...(*Interruptions*)...

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): You are not speaking on the Bill. ...(*Interruptions*)... The next Speaker is Prof. Ram Gopal Yadav, not present. ...(*Interruptions*)... The next Speaker is Shri K. Ravindra Kumar. ...(*Interruptions*)...

SHRI KANAKAMEDALA RAVINDRA KUMAR (Andhra Pradesh): Sir, thank you for giving me this opportunity. ...(*Interruptions*)... This Covid-19 pandemic did not spare any sector or any person; rich to poor, well-established economy to emerging economy, developed countries to developing countries, all felt the brunt of Covid-19 pandemic. The Micro, Small and Medium Enterprises Sector is not an exception. ...(*Interruptions*)... An estimate states that the MSME Sector is a major job-provider sector in the country. ...(*Interruptions*)...

Sir, the Government is taking various steps to enhance the 'Ease of Doing Business' in the country.' In this direction, the Government has taken various steps to attract India as a most desired destination in terms of 'Ease of Doing Business'. ...(*Interruptions*)...

The Insolvency and Bankruptcy Code was enacted in the year 2016. It has been amended in the recent past according to the changing realities of the market as well as aspirations of the economy of the country. Sir, the main aim of this Bill is to protect and preserve the MSME Sector. ...(*Interruptions*)... It prescribes a condition

that the minimum amount that is required as criteria for initiating corporate insolvency resolution process is Rs. 1 crore. ...(*Interruptions*)... Besides this, insolvency resolution process cannot be initiated in respect of defaults arising during the period of one year between 25th March, 2020 and 24th March, 2021. The current Amendment introduces a new chapter totally dedicated to the Micro, Small and Medium Enterprises. ...(*Interruptions*)... In order to sustain the onslaught of Covid-19 pandemic, a lock down across the country was induced. This Amendment Bill also prescribes punishment or penalty for those who misuse IBC and also fraudulently initiating the resolution process. ...(*Interruptions*)... There are general apprehensions in the minds of the common people. In the pretext of resolution process, the Government is showing more leniency towards the corporate debtor who under this Code getting substantial portion of the amount being set off and the defaulter is allowed to go free. ...(*Interruptions*)... The Government should take all endeavour to mitigate this apprehension in the minds of the people. ...(*Interruptions*)...

I also urge the Government that it should be its earnest endeavour to recollect the maximum amount, i.e., between the range of 90 and 95 per cent under this Code by initiating insolvency resolution process. ...(*Interruptions*)... Sir, I welcome and support the Bill. Thank You, Sir.

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): The next speaker is Shri Sushil Kumar Gupta. He is not present. ...(*Interruptions*)..

DR. AMAR PATNAIK: Sir, I am on a point of order. ...(*Interruptions*)..

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): He is on a point of order. ...(*Interruptions*).. Under what rule?

DR. AMAR PATNAIK: It is under Rule 235(2). ...(*Interruptions*)... A Member shall not interrupt any Member ...(*Interruptions*)..

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Now, Shri Vijayasai Reddy. ...(*Interruptions*).. You listen to him. ...(*Interruptions*).. Please. ...(*Interruptions*).. Hon. Members, please allow him. ...(*Interruptions*).. Mr. Reddy, please carry on. ...(*Interruptions*)..

SHRI V. VIJAYASAI REDDY (Andhra Pradesh): Mr. Vice-Chairman, Sir, on behalf of my party, the YSR Congress Party and our leader Shri Y.S. Jagan Mohan Reddy Garu, I rise to support this Insolvency and Bankruptcy Code (Amendment) Bill, 2021 reason being that it is cost effective resolution for MSMEs. ...(*Interruptions*).. It provides an efficient and alternative framework for quicker and cost-effective insolvency resolution process that is least disruptive to business and ensures job preservation. ...(*Interruptions*).. It will be a relief for NCLT because it is burdened with cases that can take several months. ...(*Interruptions*).. The tribunal will only have to reject or approve a resolution plan for MSMEs. ...(*Interruptions*).. I have a few suggestions to make to the hon. Finance Minister in this regard. ...(*Interruptions*).. The first suggestion is regarding the clearing of pending dues of MSMEs. ...(*Interruptions*).. The Bill seeks to alleviate the financial troubles of MSMEs even though pending dues amounting to about Rs.22,000 crores are owed by the Central Ministries to MSMEs in the form of delayed payments. ...(*Interruptions*).. The second suggestion is for improving the energy efficiency. ...(*Interruptions*).. It is important to look at the nature of expenditure undertaken by MSMEs. ...(*Interruptions*).. A major portion of MSME expenditure is made on energy consumption, high energy costs can harm their economic survival. To mitigate this, there is a pressing need to assist MSMEs by investing in energy efficiency projects. ...(*Interruptions*).. The Andhra Pradesh Government has been at the forefront in this regard. ...(*Interruptions*).. So far Andhra Pradesh has saved 3,000 mega units of energy worth Rs.2,000 crores. ...(*Interruptions*).. It aims to ramp up energy savings up to 25 per cent of its demand. ...(*Interruptions*).. I hope the Government will take into due consideration the demands made by the Andhra Pradesh Government to provide 5 per cent grants as an interest subvention scheme to help MSMEs to adopt energy efficiency initiatives. ...(*Interruptions*).. Sir, special emphasis must also be placed on promoting women participation in MSME sector. Since women-run MSMEs were the worst hit by the pandemic, schemes must be implemented to ensure their equitable recovery. ...(*Interruptions*).. In this respect, Andhra Pradesh has initiated the YSR Cheyutha Scheme to provide financial support to women entrepreneurs. ...(*Interruptions*).. Sir, so far, Rs.8,000 crores have been given to 24 lakh women under the scheme. ...(*Interruptions*).. Andhra Pradesh has also signed MoUs with companies to provide capital support, market linkages and technical assistance to women-run MSMEs. The Government of India should implement a similar scheme to boost entrepreneurship among women and help them tackle financial constraints. ...(*Interruptions*)... The Andhra Pradesh Government has entered into an agreement with the Small Industries Development Bank of India

for establishment of project management unit to cater to MSMEs by designing schemes for equity support, interest subvention and resolution of stressed MSMEs. ...(*Interruptions*)... My suggestion to the hon. Finance Minister is that the Government of India must also consider setting up such units on a pilot basis to boost the MSME sector. ...(*Interruptions*)...

The Bill also helps in cleaning up the books of the banks, as the resolution leads to closure and clean up the books of the banks. ...(*Interruptions*)... Similarly, there are many Members of this Parliament who are sitting in Parliament after cheating the Indian public sector banks, and they need to be fixed so that the books of the banks are cleaned. ...(*Interruptions*)...

With these suggestions, the YSR Congress Party supports the Bill. Thank you, Sir. ...(*Interruptions*)...

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Shri Binoy Visvam, since you have moved the Resolution, I give you time. ...(*Interruptions*)... You have to confine only to the Bill. ...(*Interruptions*)... Only on the Bill, please. ...(*Interruptions*)...

SHRI BINOY VISWAM: Yes, Sir. ...(*Interruptions*)... Sir, I oppose the Bill. ...(*Interruptions*)... This Bill is only for looting the public money. You talk about reforms. ...(*Interruptions*)...

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): I think, you have nothing to say on the Bill. ...(*Interruptions*)...

पर्यावरण, वन और जलवायु परिवर्तन मंत्री; तथा श्रम और रोजगार मंत्री (श्री भूपेन्द्र यादव) : सर, जो अपने आप में डिसऑर्डर कर रहे हैं ...(*व्यवधान*)... हाउस में आने के बाद सबसे पहला रूल 235 एवं 238 है कि कैसे बोला जाए और हाउस में किस प्रकार का आचरण किया जाए, और रूल 258 में मिनिमम यह है कि जो चेयर का ऑर्डर है, उसको सबको मानना चाहिए। बेसिक पार्लियामेंट्री प्रोसीजर की जो courtesy है, उसका इनको पालन करना चाहिए। इसके बाद ये पॉइंट ऑफ ऑर्डर ले सकते हैं।

SHRIMATI NIRMALA SITHARAMAN: Mr. Vice-Chairman, Sir, I thank each and every Member who, in spite of all the disturbances, contributed to this debate. Some of them have raised very particular questions which I would honestly want to reply.

...(*Interruptions*)... However, I am very grateful to hon. Minister, Shri Bhupender Yadav, who raised the thought that parliamentary courtesies are very important. You may have disagreement, you may protest. ...(*Interruptions*).. However, as much, the hon. Member, Shri Patnaik, also raised. To disrupt a Member and to surround in a threatening fashion is all unacceptable. ...(*Interruptions*)... Even now, I request some of the Opposition Members to participate in the debate rather than protest. ...(*Interruptions*)... But, Sir, it is absolutely strange that the people who have been individually contributing to the disturbance, when their turn comes, they want to stand up and ask the House to be quiet so that they can speak. ...(*Interruptions*)... How selfish can this be! Above all, as it is, when Members are disrupted in Question Hour or Zero Hour, sometimes, even papers are hurled at the Chair. ...(*Interruptions*)... Now, they are violently coming towards Members and Ministers and not allowing them to speak; it is absolutely condemnable. ...(*Interruptions*)... I want the Members to support in condemning this violence, in condemning this disruption. ...(*Interruptions*)...

Now, Sir, I want to express my thanks to Amar Patnaikji, Banda Prakashji, Thambiduraiji, Ravindra Kumarji and Vijayasai Reddyji for contributing to the debate and for supporting this Bill. However, when a Member came to speak about it, instead of speaking on the Bill -- I do not want to name him -- he spoke everything else and did not for a minute condemn the violent protest in the Well of the House.

Sir, I thank the Members. I want to assure some of them about the concerns voiced as regards vacancies in the NCLT, vacancies in many Benches. It is the right point taken. I will ensure we are also working to fill the vacancies in the Benches.(*Interruptions*)... So, I do not want you to worry about vacancies and causing any further delay. I just want to inform the hon. Members that the number of Benches has increased from 10 to 15 during 2018 and 2019. The number of Members has been increased in a phased manner. Sir, twenty-eight Members were appointed in 2019 bringing the total number of Members to 52. After merging office of some of the Members, presently, 29 Members are in position.(*Interruptions*)... So, we shall be making sure that the appointment of the President, NCLT, is also to be done in consultation with the Chief Justice of India and, therefore, we are giving importance to that.(*Interruptions*)... Also, till all the regular posts are filled up, approval has been granted for engaging a total of 725 posts at various levels and Law Research Associates with a norm of three LRA per court of two Members, a total of 93 LRAs for 62 Members on contractual basis. Even that is going on, Sir. One thing I want to

inform the Member, Dr. Amar Patnaik that the pre-pack process can be initiated only with the consent of not less than 66 per cent in value of unrelated financial creditors and consent of special majority of shareholders.(*Interruptions*)... Pre-pack is available only to those CDs eligible to submit a resolution plan under Section 29A. Also, civil and criminal liability is attached to any act of wilful misinformation or omission of information. Insolvency professional is tasked with clear duty to report mismanagement on fraudulent practices. Sir, I also want to clarify, there was a concern expressed about haircuts.(*Interruptions*)... Out of 1349 liquidation cases, more than 74 per cent of the cases ending into liquidation are erstwhile BIFR cases or defunct company-related cases. Going by the experience, the value realised in the resolution cases is around 180 per cent of the liquidation value. Therefore, this is higher than the higher rate of recovery through recovery loss and in comparison with RDB Act...(*Interruptions*)... So, Sir, in fact I will assure those Members, who spoke, that on 25 different categories or issues, we have compared the CIRP with the pre-package process. We find that the pre-package is flexible, cost effective, time bound and, therefore, very suitable for the MSMEs. So, on this count I seek the support of the Members in passing this Bill. Thank you, Sir.

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Shri Shaktisinh Gohil has moved the Resolution. Now, the question is:

“That this House disapproves the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 (No.3 of 2021) promulgated by the President of India on 4th April, 2021.”

The motion was negatived.

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): I shall now put the motion moved by Shrimati Nirmala Sitharaman to vote. The question is:

That the Bill further to amend the Insolvency and Bankruptcy Code, 2016, as passed by Lok Sabha, be taken into consideration.

The motion was adopted.

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): We shall, now, take up Clause-by-Clause consideration of the Bill.(*Interruptions*)...

Clauses 2 to 18 were added to the Bill.

SHRI ELAMARAM KAREEM (Kerala): Sir, I want division. ...(*Interruptions*)...

SHRI DEREK O'BRIEN (West Bengal): Sir, he is asking for something. ...(*Interruptions*)...

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): You go from here. ...(*Interruptions*)...You go from here. ...(*Interruptions*)...Mr. Kareem, you have missed the time. ...(*Interruptions*)...You have not demanded at appropriate time. ...(*Interruptions*)...Okay. ...(*Interruptions*)...

SOME HON. MEMBERS: No, no. ...(*Interruptions*)...

SHRI ELAMARAM KAREEM: Sir, I want division. ...(*Interruptions*)...

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Let the House be in order. ...(*Interruptions*)... You have to take your seats. ...(*Interruptions*)... You are not asking; he is asking. ...(*Interruptions*)... You have to take your seats. ...(*Interruptions*)...

SHRI DEREK O'BRIEN: Sir, he is asking for division. ...(*Interruptions*)...

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Is he asking? Or, are you asking? ...(*Interruptions*)...Take your seats. ...(*Interruptions*)...You want division on which clause? ...(*Interruptions*)...On which clause? ...(*Interruptions*)...Mr. Kareem, you make it clear on which clause you want division. ...(*Interruptions*)...We shall, now, take up Clause 1, the Enacting Formula and the Title. ...(*Interruptions*)...

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRIMATI NIRMALA SITHARAMAN: Sir, I move:

That the Bill be passed.

The question was put and the motion was adopted.

SHRI ELAMARAM KAREEM: Sir, I want division. ...(*Interruptions*)...

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): If you continue to disrupt the proceedings of the House in this manner, I will have to name you. ...(*Interruptions*)...You go to your seats. ...(*Interruptions*)... You will get everything if you go to your seats. ...(*Interruptions*)...We cannot run the House like this. ...(*Interruptions*)... We have other Business on the Agenda. ...(*Interruptions*)... You go to your seats. ...(*Interruptions*)...Please go to your seats. ...(*Interruptions*)...If you want proper discussion, two more important Bills are coming. ...(*Interruptions*)...These are important for your States and for your Constituencies. ...(*Interruptions*)... So, please go to your seats, participate in the discussion and raise whatever is important and whatever demands you have. ...(*Interruptions*)...

The House is adjourned to meet tomorrow at 11.00 a.m.

The House then adjourned at thirty-nine minutes past two of the clock till eleven of the clock on Wednesday the 4th August, 2021.