

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 853
ANSWERED ON TUESDAY THE 30TH JULY, 2024**

STRENGTHENING THE PROCESS OF INSOLVENCY RESOLUTION

QUESTION

853. Shri Jaggesh:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether it is a fact that the Insolvency and Bankruptcies Code (IBC) process, despite speeding up insolvency resolutions compared to earlier mechanisms, still has many loopholes and quirks;
- (b) whether there is a crying need to tweak insolvency resolutions to create a better system that can solve bankruptcies in a more time-bound manner; and
- (c) if so, the details thereof and the steps taken by Government to speed up and strengthen the process of Insolvency resolutions?

ANSWER

MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS AND MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

[HARSH MALHOTRA]

(a): The Insolvency and Bankruptcy Code, 2016 (the Code/IBC) has significantly accelerated insolvency resolutions compared to previous mechanisms. However, there are some instances of delays which are attributable to associated litigation on account of increased number of interlocutory applications.

(b) and (c): Insolvency resolution under the Code is an evolving process. To enhance the efficiency of the Corporate Insolvency Resolution Process, the Government has already made six Amendments to the Insolvency and Bankruptcy Code, 2016, since inception. Further, during the financial year 2023-24, a total of 12 amendments to various regulations and model bye laws were carried out, thereby effectuating about 86 changes in the regulatory framework to further strengthen the Insolvency resolution process. Number of companies resolved has substantially increased during the last three years and is as under:

FY	No of cases resolved
2021-22	143
2022-23	188
2023-24	271

The IBC has resolved more than 1,000 companies, resulting in direct recovery of over Rs.3.3 lakh crore to creditors, till date. In addition, 28,000 cases with underlying default of over Rs.10 lakh crore have been withdrawn, even prior to admission.
