

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
STARRED QUESTION NO. 130
ANSWERED ON TUESDAY, 11th MARCH, 2025**

STRENGTHENING THE PROCESS OF INSOLVENCY RESOLUTION

QUESTION

*130. DR. ASHOK KUMAR MITTAL:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether Government is aware that the Insolvency and Bankruptcy Code (IBC) continues to face ambiguities in settlement and withdrawal processes post-initiation of insolvency proceedings, and if so, the details of measures being taken to resolve these issues;

(b) the steps being taken to address persistent judicial delays in insolvency cases and ensure timely adherence to the prescribed IBC timelines;

(c) the actions being proposed to enhance recovery rates and minimize haircuts in insolvency resolution under the IBC; and

(d) the plans to strengthen institutional mechanisms, including Information Utilities, to streamline the admission process and enhance the effectiveness of the IBC system?

ANSWER

THE MINISTER OF FINANCE
AND CORPORATE AFFAIRS
वित्त एवं कारपोरेट कार्य मंत्री

(SHRIMATI NIRMALA SITHARAMAN)
(श्रीमती निर्मला सीतारामन)

(a) to (d): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF RAJYA SABHA
STARRED QUESTION NO. *130 (10th POSITION) FOR 11th MARCH, 2025
REGARDING 'STRENGTHENING THE PROCESS OF INSOLVENCY
RESOLUTION'**

(a): The Government has amended the Insolvency and Bankruptcy Code, 2016 (IBC) in 2018 to insert Section 12A to permit the withdrawal of an insolvency application against a corporate debtor with the approval of at least 90% of the Committee of Creditors (CoC). The Adjudicating Authority has the power to permit the withdrawal of such an application.

(b): National Company Law Tribunal (NCLT) is a quasi-judicial body. The pendency of cases in NCLT depends on circumstances and complexity of each case, nature of evidence, number of Interlocutory Applications (IA), stay by the higher courts, cooperation of stake holders. To facilitate expeditious disposal, Government is taking necessary steps on an ongoing basis, which include filling up of vacancies which is a continuous process, implementation of e-court and hybrid court project, regular colloquiums for capacity building of members, provision of infrastructure etc.

(c): Realization under IBC process is market driven and is inter-alia dependent on quality of assets at the time of its resolution. However, to strengthen the process of Insolvency Resolution and to ensure proper implementation of the provisions of IBC, the Government has made six amendments to the IBC and 122 amendments in regulations since inception of IBC.

(d): The Record of Default (RoD), issued by the Information Utility (IU) is crucial to establish defaults before the Adjudicating Authority (AA). Accordingly, in order to strengthen the process of issuance of RoD by the IU and to expedite the insolvency resolution process, Insolvency and Bankruptcy Board of India (IBBI) had amended IBBI (Information Utilities) Regulations, 2017 vide notification dated 13th August 2024. Furthermore, regular training and capacity-building programs for insolvency professionals, adjudicating authorities and other stakeholders are held to improve the overall efficiency and effectiveness of the IBC ecosystem. Leveraging Information technology such as digital platforms for automation and streamlining processes is another initiative to make the system more efficient, accurate, and faster, ultimately leading to better outcomes for all stakeholders.
