

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 1337
ANSWERED ON TUESDAY, 11th MARCH, 2025**

AMENDMENTS IN THE INSOLVENCY AND BANKRUPTCY CODE, 2016

QUESTION

1337 # DR. LAXMIKANT BAJPAYEE:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Government has reviewed the impact and success of the Insolvency and Bankruptcy Code, 2016, if so, the details thereof;
- (b) the details of the amendments made by Government in the code after its implementation; and
- (c) whether Government proposes to bring in further amendments in the code and to introduce a mandatory provision for registration of flats in those projects where flat buyers have made full payments and completed all formalities and that registration of flats would not be stopped due to non-payment of dues to authorities after developers declare themselves insolvent?

ANSWER

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

[HARSH MALHOTRA]

(a): In 2023-24, the IBC emerged as the dominant recovery route, accounting for 48% of all recoveries made by banks, followed by the SARFAESI Act (32%), Debt Recovery Tribunals (17%), and Lok Adalats (3%), according to the RBI Report on Trend and Progress of Banking in India (December 2024).

Additionally, a report by the Indian Institute of Management Ahmedabad (IIM-A) (August 2023; available at www.ibbi.gov.in), analysed the financial performance of firms that underwent resolution under the IBC and found significant improvements in the profitability, liquidity, and overall financial health of resolved firms in the post-resolution period. These findings underscore the positive impact of IBC on business continuity and value preservation.

(b): The Code has witnessed six legislative interventions since its enactment to strengthen the processes and further its objectives, in sync with the emerging market realities.

First Amendment (2017): Introduced section 29A to prohibit persons, who do not have credible antecedents, from submitting resolution plans or taking over companies in stress

Second Amendment (2018): Lowered voting threshold to 66% for resolution plan approval and 51% for routine decisions. Allowed closure of CIRP with 90% approval of CoC, streamlined section 29A, and provided a one-year grace period for RAs.

Third Amendment (2019): Provided clarifications regarding restructuring through mergers, amalgamations, and demergers. Addressed voting impasses among creditors and made resolution plans binding on government entities.

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Fourth Amendment (2019): Facilitated continuation of critical goods and services, introduced section 32A regarding ceasing of liabilities for offenses before CIRP, and protected property under approved resolution plans.

Fifth Amendment (2020): Introduced section 10A suspending insolvency applications for defaults from March 25, 2020, for period up to one year due to COVID-19.

Sixth Amendment (2021): Introduced Pre-packaged Insolvency Resolution Process for corporate MSMEs.

(c): No such proposal is under consideration of the Government.
