

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 862**

ANSWERED ON TUESDAY, DECEMBER 3, 2024/ AGRAHAYANA 12, 1946 (SAKA)

SLOWDOWN IN IBC RESOLUTION PROCESS

QUESTION

862. SHRI TIRUCHI SIVA:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether it is a fact that there has been a dramatic slowdown in both recovery rate, and resolution timeline for bankruptcy proceedings under the Insolvency and Bankruptcy Code (IBC) since 2020;**
- (b) if so, the details thereof;**
- (c) whether any measures are under consideration to minimise the disruption of insolvency proceedings due to frivolous appeals by defaulters;**
- (d) if so, the details and timeline thereof and if not, the reasons therefor; and**
- (e) the timeline for enabling the compact “pre-pack” resolution scheme for larger sized firms?**

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) & (b): Realization under IBC process is market driven and is inter-alia dependent on quality of assets at the time of its resolution. The details of cases that have yielded resolution plans, under Insolvency and Bankruptcy Code 2016, since 2020 are attached at Annexure – I. Details regarding average time in resolution are attached at Annexure-II

(c) & (d): Appeals or applications under the IBC are dealt as per the provisions of the Insolvency & Bankruptcy Code, 2016 and the Rules and Regulations made thereunder.

(e): Section 54A of the Code, inter alia, provides that a Corporate Debtor, which is a Micro, Small or Medium Enterprise, under sub-section (1) of the section 7 of the Micro, Small and Medium Enterprises Development Act, 2006, is eligible to apply for initiation of pre-packaged insolvency resolution process.

As per section 54D of the Code the pre-packaged insolvency resolution process shall be completed within a period of one hundred and twenty days from the pre-packaged insolvency commencement date. There is no such proposal under consideration of Government for extending pre-pack resolution scheme for larger sized firms.

Annexure-I

The details of cases that have yielded resolution plans, under Insolvency and Bankruptcy Code 2016, since 2020:

Sl. No.	Period	Number of Resolutions	Total amount recovered (in Rs. Crore)	Realisable Value as % of		
				Admitted Claims	Liquidation Value	Fair Value
1	2020-21	119	27,551	22%	150%	95%
2	2021-22	143	47,503	23%	131%	81%
3	2022-23	187	55,390	36%	128%	85%
4	2023-24	270	47,788	27%	138%	95%

Annexure-II

Details regarding average time in resolution:

Average time excluding the time excluded by the AA	As on March, 2021	As on March, 2022	As on March, 2023	As on March, 2024
Number of days from Insolvency Commencement Date to approval of resolution plans by AA	408	451	507	567