

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 1987  
ANSWERED ON MONDAY THE 19<sup>TH</sup> DECEMBER, 2022  
AGRAHAYANA 28, 1944 (SAKA)**

**PENDING CASES UNDER IBC**

**QUESTION**

**1987. SHRI JAYADEV GALLA:**

**Will the Minister of CORPORATE AFFAIRS**

**be pleased to state:**

- (a) the reasons for increase in number of pending cases, delay in resolution and submission of final reports by official liquidators in the last three years;**
- (b) the action plan to streamline the valuation of auction-ready assets and increase market participation in such auctions;**
- (c) the plans to address the need of introducing a structured mechanism to deal with this issue of relinquishment of security interest by secured creditors under IBC, 2016; and**
- (d) the details of the proposal to reduce the duplication of liquidator's efforts during the clearance process?**

**ANSWER**

**MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS**

**[RAO INDERJIT SINGH]**

**(a): Total 1807 cases ended in liquidation till September, 2022 under the Insolvency and Bankruptcy Code, 2016 (IBC/Code). Out of which final reports have been submitted in 429 cases and 1378 are undergoing liquidation process. There are delays in resolution and submission of final report by the liquidator due to reasons like problem in taking control of assets of the Corporate Debtor, realization of assets, excessive litigation, pending avoidance transaction applications, non-cooperation from**

**promoters/ex-directors of the Corporate Debtor (CD), relinquishment of security interest.**

**(b) : Regulation 35 of the Insolvency and Bankruptcy Board of India (IBBI) (Liquidation Process) Regulations, 2016 was amended in October, 2018 to provide that the liquidator may consider the valuation arrived under Corporate Insolvency Resolution Process (CIRP). Further, vide amendments made in September, 2022, the liquidator has been mandated to mandatorily consult the stakeholders' consultation committee, to undertake fresh valuation during liquidation. IBBI has also provided an electronic platform on its website for hosting public notices of auction of liquidation assets. A centralised platform hosting all public notices of auctions of liquidation assets improves visibility for the assets being sold and shall lead to better realisation and expedite the process.**

**(c) : Section 52 of Code read with Regulation 37 of the Liquidation Regulations provides for mechanism and manner for relinquishment of security interest by a secured creditor in liquidation proceedings.**

**(d): No such proposal as of now is under consideration of the Government.**

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