

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 1074
ANSWERED ON MONDAY, THE 8TH FEBRUARY, 2021
MAGHA 19, 1942 (SAKA)**

IBC Cases

1074. DR. SHASHI THAROOR:

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कॉर्पोरेट कार्य मंत्री

- (a) the number and details of defaults that have occurred during the period that certain provisions of the Insolvency and Bankruptcy Code (IBC) were kept in abeyance, that would otherwise have been considered as violations of the IBC;
- (b) the number of companies that would have been forced into the insolvency process if not for the exemptions provided during this period;
- (c) whether there have been instances where companies voluntarily opted for insolvency proceedings so as to cut their losses but were denied this option; and
- (d) the details of the losses caused to these companies or their creditors due to not being able to opt for insolvency proceedings?

ANSWER

**MINISTER OF STATE FOR FINANCE
AND CORPORATE AFFAIRS**

(SHRI ANURAG SINGH THAKUR)

वित्त और कॉर्पोरेट कार्य मंत्रालय में राज्य मंत्री

(श्री अनुराग सिंह ठाकुर)

(a)&(b): The corporate insolvency resolution proceedings (CIRP) under the Insolvency and Bankruptcy Code, 2016 (the Code/IBC) can be initiated by financial creditors, operational creditors or corporate debtor himself under section 7, 9 or 10, on the basis of a minimum threshold of default of Rs. 1 crore (raised from Rs. 1 lakh to Rs. 1 crore vide notification dated 24th March, 2020). However, since, the proceedings under the aforesaid sections have been suspended vide IBC (Second Amendment) Act, 2020 w.e.f., 5th June, 2020 for the defaults that have occurred during the suspended period i.e. from 25th March, 2020 to 24th March, 2021. Therefore, the number of companies which might have been forced into insolvency is not available.

(c): No such instance has come to notice of this Ministry.

(d): In view of (a) (b) & (c), does not arise.
