

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 3667
ANSWERED ON MONDAY THE 20TH DECEMBER, 2021
AGRAHAYANA 29, 1943 (SAKA)**

BANKRUPT COMPANIES

QUESTION

3667. SHRI JAGDAMBIKA PAL:

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

(a) whether the Government has data on how many companies from the State of Uttar Pradesh have declared themselves bankrupt post-lockdown due to Covid-19;

(b) if so, the details thereof;

(c) the details of the cases resolved under the newly established method of insolvency i.e.; Pre-packaged Insolvency Resolution Process (PIRP) of the Insolvency and Bankruptcy Code, till date, along with the amount of claims resolved under these cases;

(d) the number of companies from the State of Uttar Pradesh who have filed for Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code in 2020, so far;

(e) whether there is any usual delay in the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code; and

(f) if so, the reason therefor and the steps taken by the Government to resolve the issue of delay in resolution?

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) & (b): The initiation of corporate insolvency resolution process (CIRP) under sections 7, 9 and 10 of the Insolvency and Bankruptcy Code, 2016 (the Code/IBC) was suspended by the Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 for defaults arising on or after 25th March, 2020 till 24th March, 2021. The defaults arising during the said suspension will remain *non est* for the purpose of initiation of CIRP under the Code.

(c): Application for pre-packaged insolvency resolution process in respect of 1(one) company has been admitted by the Adjudicating Authority and is ongoing. No resolution plans have been approved under this framework, so far.

(d): According to data available with the Insolvency and Bankruptcy Board of India (IBBI), 33 (thirty-three) companies having registered office in State of Uttar Pradesh been admitted into CIRP during January 2020 to November 2021.

(e) and (f): Insolvency resolution process under the IBC is market driven and the outcome depends on market forces. Further, the time taken for resolution depends on several factors, including the nature of business, business cycles, market sentiments and marketing effort.

Government is taking all steps to strengthen the NCLT, in order to reduce the delays in disposal of cases. Five new Benches of NCLT have been announced during year 2018 and 2019 at Jaipur, Cuttack, Kochi, Indore and Amaravati. Vacant posts of Members in NCLT are being filled up regularly. Government has appointed 19 new Members in NCLT recently. For capacity building of Members, regular colloquiums are being held. e-Court Project is also being implemented by National Informatics Centre (NIC) for all the benches of NCLT. Further, to monitor delayed insolvency resolution processes, IBBI has introduced a Form to be filed by the resolution professionals on monthly basis.
